Daw Aung San Sun Kyl would be able to stop the funds at any time.

undermined by a lack of such coor-

dination among the organizations.

Presented late last month in Burma by

a United Nations special envoy, Alvaro de Soto, the plan was formulated at a secretive meeting held weeks earlier in

southern England between the World Bank, the United Nations and five Ran-

goon-based ambassadors who attended

said they discussed the first step for a

release of funds, which was initially set

at requiring the government to release political prisoners, allow Daw Aung San Suu Kyi freedom of movement and

permit her National League for Democracy to function as a political party. In

exchange, the National League for De-

mocracy would agree to rescind its calls

to convene Parliament, and internation-.

al funding would be opened to Burna

the bulk of the funds would come from

If the plan proceeds, the United

ates, which has imposed a wide range smoothers against the country's mil-

the International Monetary Fund and

See BURMA, Page 10

Reuters

PONTIAC, Michigan — Michigan prosecutors on Wednesday charged Dr. Jack Kevorkian, a prominent U.S. advocate of assisted suicide, with first-degree premeditated marder in the death of a terminally ill man whose death from a lethal injection

Other charges filed against Dr. Kevorkian were criminal assistance of a

spicide and delivery of a controlled

was shown on television.

AGENDA

Dr. Kevorkian Is Charged With Murder

A GOOD START - President Jiang Zemin of China arriving for a

dinner Wednesday at the state guesthouse in Tokyo in a cheerful mood, seated next to Prime Minister Ryutaro Hashimoto of Japan, left. Security was tight in the Japanese capital as Mr. Jiang began his six-day state visit to Japan, the first by a Chinese leader.

cled through the World Bank,

Sources involved in the negotiations

in an unofficial capacity.

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

London, Thursday, November 26, 1998

UN Links Burma Aid To Political Dialogue

\$1 Billion Is Possible If Generals Will Talk With the Opposition

> By Thomas Crampton International Herald Tribune

RANGOON - The United Nations and World Bank have entered into secret negotiations with Burmese govemment and opposition leaders to offer the ruling military regime \$1 billion in financial and humanitarian aid in exchange for opening a dialogue with the opposition, according to sources in-

volved in the negotiations.
Initiated only weeks ago, the plan has
I in introduced at a time of bitterly
primized and deeply entenched politiical stalemate in Burma

But government officials, opposition leaders and Rangoon-based diplomats said the attempt at dollar diplomacy offered 'the best glimmer of hope yet for breaking the deadlock between the opposition led by Daw Aung San Sun Kyi and the ruling generals.

The plan calls for step-by-step com-

promises from both the government and the opposition, with progress rewarded by increasing amounts of financial as-sistance and humanitarian aid.

'A lot of sticks have been used and they remain in place — but now we are also offering the government some carrots," said a Rangoon-based dipiomat who is involved in the nego- for the first time in more than a detiations. With the reaction we have received so far from all sides it is not impossible to outline a win-win sce-

ario."

Japan, with additional assistance exBoth the government and opposition pected from Australia and Singapore,
ave agreed to pursue the idea in further sources involved in the negotiations have agreed to pursue the idea in further cat are scheduled to take place in Surma within the next eight weeks, sources in the government and the opposition said.

institutions directly in political abgo-tiations, and it comes amodusing crit-icism that past peace efforts have been



By Warren Hoge New York Times Service

LONDON — The House of Lords on Wednesday rejected General Augusto Pinochet's claim to immunity from arrest, committing him to remain in cus-tody here while Spain seeks his ex-tradition on charges of genocide and terrorism.

In tersely worded verdicts read out individually in the ornate upper chamber by the five Law Lords constituting

Joy and anger in Santiago. Page 4.

England's highest court, the judges ruled, 3 to 2, that crimes like hostagetaking and torture are not protected by sovereign immunity because they cannot be considered functional acts of a head of state. The ruling overturned the Oct. 28

indement of England's High Court that the former Chilean dictator could not be arrested because he was a former head of state. The court told him to stay in England while the Crown Prosecution Service, representing the Spanish authorities, appealed the decision. The surprise arrest took place Oct. 16 in response to a request from a Spanish judge, Baltasar Garzon, that he be held in London for extradition to Madrid.

[The Chilean foreign minister, Jose Miguel Insulza, will be dispatched Thursday to London in a new effort to free General Pinochet, President Eduardo Frei announced Wednesday, Agence France-Presse reported from Santiago. Mr. Insulza will also travel to Madrid in a bid to persuade Spanish authorities to drop their extradition request, Mr. Frei said.]

Lord Nicholls, expressing Wednes-day's majority view, told the House, "International law has made plain that certain types of conduct, including torture and hostage-taking, are not acceptable conduct on the part of anyone. This applies as much to heads of state, or even more so, as it does to everyone else. The contrary conclusion would make a mockery of international law."

The decision marked a significant prostdening of the possibilities opened new human rights covenants for pursuing people across national borders with allegations of crimes against hu-

substance. The Oakland County pros-ecutor, David Gorcyca, said his office decided to press charges after seeing a videotape of the death, an edited ver-

prosecutors to charge him after he

was shown giving a fatal dose to Thomas Youk, 52, who had amyotrophic lateral sclerosis, known as Lou Gehrig's disease.

sion of which was broadcast. Mr. Kevorkian, seeking a legal showdown over euthanasia, dared



Anita Gonsalez, left, who lost family members in the Pinochet years, being comforted Wednesday in Santiago.

manity. Opponents of the reasoning behind the finding Wednesday have said prosecutors could apply it to people like Queen Elizabeth II for past British actions in Ireland and President Bill Clinton for the bombing of Iraq.

In a press conference in Parliament, Geoffrey Bindman, a lawyer representing Amnesty International and the families of victims of the Pinochet regime, called the ruling "the most important case in human rights law this century."
He added that "the significance of this case will extend to all repressive regimes where the heads of state seek to assert the freedom to travel around the world living in luxury on the proceeds of their crimes.

The first two judges to speak, Lords Slynn and Lloyd, upheld the High Court decision, raising the prospect among the ing the event on television that General

See PINOCHET, Page 4



General Pinochet, who is in a London hospital under police guard.

Decision Causes Dilemma For Blair's Government

Choice Between Wishes of Labour and of an Ally

By Tom Buerkle International Herald Tribune

LONDON - The unexpected decision to deny General Augusto Pinochet immunity from arrest poses a dilemma for the government of Prime Minister Tony Blair, which must now choose between the desire of most Labour Party members to see the general extradited to Spain, and the wishes of a Chilean government that has been one of Britain's stoutest allies in Latin

The ruling that General Pinochet does not enjoy immunity also sent a strong warning to dictators around the world that they can be pursued for human rights abuses if they venture abroad, legal experts said Wednesday.

Unless the government decides quickly to release General Pinochet on compassionate grounds, Spain's at-tempts to extradite the former dictator still face major legal hurdles here, however, and it could take months or even years to decide his fate. But the Law Lords set a major precedent by ruling that a head of state cannot claim sovereign immunity for crimes against humanity. The Law Lords are effectively vin-

dicating the principles that were laid down by the Nuremberg court" after World War II, said Lord Lester, a human rights lawyer. "It is very, very important that there should be no hiding

place in any state for people who are accused of the most heinous crimes

against humanity."

After the ruling, crowds of Chilean exiles and human rights supporters erup-ted in celebration in London and in Madrid. In Madrid, Isabel Allende, the d daughter of former President Salvador Allende, who died during the 1973 coup that brought General Pinochet to power, hailed the ruling. "This demonstrates that in this world principles do exist and that dictators cannot travel with impunity and think they are above the law,"

"For the first time in 25 years, I would say there is a bit of justice," said Helia Lopez, a Chilean exile who joined the throng outside Parliament in London bearing the picture of her brother-in-law, Hector Roberto Rodriguez Carcamo, who disappeared during the Pinochet years. The intensity of the reaction to the

judgment underlined the pressure facing the government and Home Secretary Jack Straw, who must decide by Dec. 2 whether to allow extradition proceedings to go ahead. Mr. Straw did not comment after the ruling, and aides insisted he would review the Spanish extradition request in a "quasi-judicial capacity." Mr. Straw was a leftist student leader in Britain during the Allende years, and

See LORDS, Page 4

Government Of Turkey **Falls After Losing Vote**

By Stephen Kinzer

ISTANBUL — The government plagued since its inception 17 months ago by competing pressures from Islamic groups and the rigidly secular military, lost a con-fidence vote Wednesday in Par-liament and fell.

The vote, by a 314-to-214 margin, came after Mr. Yilmaz was implicated in a corruption scandal in which he allegedly helped gangsters buy a state-owned bank. He has denied all charges against him.

President Suleyman Demirel was expected to ask Mr. Yilmaz to stay on as prime minister until an interim government can be formed to take the country to an early election in April. But with both Turkey's center-right and center-left parties di-vided by bitter rivalries, there seemed little prospect that a stable government could emerge from the

As a result, the military is likely to retain ultimate political power here. Its commanders view themselves as the only stabilizing force in the country and the final bulwark against religious fundamentalism. Critics, however, say their political role restricts the growth of Turkish democracy.

After two years of spectacular revelations about ties between criminals and successive Turkish governments, many Turks have become deeply cynical about politics. Some believe that supporting the Islamic party is the best way to show their disgust with the political establishment. Military commanders, however, might not allow the party to come to power even if it won the election.

Mr. Yilmaz had sought to ease

military-backed restrictions on Islamic symbols, which he evidently believed were too strict, and risked creating a political backlash. He urged the military to stop insisting

See TURKEY, Page 10

In South Korea, Slump Is Worst Since War's End By Don Kirk

SEOUL — South Rorea's economy contracted at a 6.8 percent annual rate in the third quarter of this year, the Bank of Korea reported Wednesday, painting a statistical portrait of a country in the depths of its worst recession since the Korean War ended in 1953.

Economists here said they saw little sign of a intracound in Asia's second-

sign of a turnaround in Asia's secondwarse may still le ahead.

Hong Ki Seok, who specializes in forecasting at the Korea Development

forecasting at the Korea Development Institute, a government research organization, predicted another report of "a kive growth" for the fourth quantity, as government and business tage the need to pay off or reschedule \$30 billion in loans next year.

"Korea is still trapped in the numel of severo recession," Mr. Hong said.

The July-September quarter was the filled onisecutive one in which the gross demestic product the total value of the

hanestic product, the total value of the nation's output of goods and services, contracted. The decline followed a 3-9 percent drop in the first quarter and a 6-8 etrent shrinkage in the second. It has Jen 45 years since the South Korean Juniorny contracted for three quarters

The Bank of Korea said "increased interest payments to the rest of the sprid" were the reason the country's gross national product was falling sharply. South Korea's foreign debts total \$154 billion. The economy contracted as the country's heavily leveraged companies struggled to pay interest rates on leaves. terest rates on loans.

The country was rescued from the brink of bankraptcy nearly a year ago

See KOREA, Page 18

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Ankara Defuses Tension With Italy Turkey eased its insistence Wed-nesday that Italy hand over the Kurd-ish rebel leader Abdullah Ocalan for

trial pointing to a possible lowering of tensions between the two countries.

"Ideally, we want him to be pros-cuted and punished in Turkey." a government spekesman, said. "But if this does not happen, he should be prosecuted, under international law against terrorism and punished in a third country such as Italy and Germany." Mr. Ocalan, the leader of the Kurdish Workers Party, or PKK, was arrested in Rome on Nov. 12 Page 4. PAGE TWO In the Caribbean, a Paradise Lost

New York	Wednesday @ 4 P.M.	previous closs
DM	1.7045	1.7037
Yen	121.705	121.025
FF	5.7133	5.7123
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Netanyahu's Scramble to Gain Support

Israeli Prime Minister Lures Levy to Cabinet in Effort to Broaden Coalition.

By Lee Hockstader Washington Post Service

JERUSALEM - Since he returned from signing a peace deal in Washington a month ago, the Israeli prime minister's daily political agenda has resembled the "Perils of Pauline" - a nonstop scramble to plug new holes in the leaky dike of his government.

Just this week, Benjamin Netanyahu has tried to soothe lewish settlers who are jittery over Israeli troop withdrawals by promising them new roads, pools and community centers. He has warned trate nationalist allies to support him or face political oblivion. And on Wednesday he canceled a trip to Switzerland and twice delayed his departure for London

broaden his coalition by luring David Levy, the popular former foreign minister who resigned in January, back into a prime cabinet position.

"I think it's important to secure as broad a base for the support for the peace process that we're negotiating. trying to achieve — security and peace for Israel," Mr. Netanyahu told report-

ers before leaving for London.
In London, Mr. Netanyahu is to meet with Prime Minister Tony Blair, who has expressed support for Mr. Netanyahu's moves in the peace process, be-fore going on to the United States at the end of the week.

Having lost a reliable majority in Parliament, Mr. Netanyahu's main concern seems to be to avoid being forced into in order to forge an extraordinary deal to elections before his term expires two

years from now. The price for that may be forming a national unity government - an alliance with his most bitter enemies in the dovish Labor Party. That prospect is clearly unsavory for

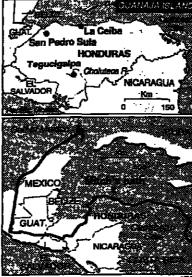
Mr. Netanyahu, even though he has now embraced the very land-for-security policies his Labor predecessors initiated. But it may be the only way he can stay affoat while Israel continues to withdraw from the West Bank as it agreed to do under President Bill Clinton's prodding last month.

In the daily Ha aretz on Wednesday, Gideon Samet wrote that the 'new trick" of wooing Mr. Levy would "pa-per over the disintegration of the co-alition majority in the government and

See ISRAEL, Page 10

Paradise Lost/ An Island Torn Asunder





Herman Johnson, a fishing boat captain, owned three houses in Mangrove Bight, all of which were destroyed. He built this one-room Aframe from the remains. There's a joke going around,' he said. The govèrnment came on Monday before the storm to collect taxes, and they haven't been seen since.'

After Mitch Took Everything, Residents Rebuild

By John Ward Anderson Washington Post Service

UANAJA, Honduras — This tiny palm-fringed island used to be best known as a landfall for Christopher Columbus and a hideout for 17th-century buccaneers, who made fortunes sacking gold-laden Spanish galleons. In modern scuba-diving circles, it earned renown as a secluded tropical oasis set amid some of the world's most spectacular coral reefs.

But today, Guanaja is best known as the Caribbean island over which the hurricane designated Mitch stalled for almost two days, lashing its fragile offshore ecosystems, tropical forests and coastal towns and resorts with driving rains and wind gusts of over 320 kilometers (200 miles) per hour. When the storm finally drifted away, it left behind wrecked hotels and houses, a ruined tourism industry and widespread environmental destruction.

Entire towns were destroyed. Mangrove Bight, a community of about 1,700 people and 200 houses on the north coast, now has about 20 partially intact buildings. The rest of the town is a junk heap of wood, cloth, paper, cement blocks and electrical anpliances.

Along the island's steep shores, luxury home sites are marked by fields of splintered wood. Forests were blown down and acres of topsoil washed away. What trees remain upright were stripped of their leaves and bark and stand like twisted, gnarled skeletons.

The huge network of underwater coral reefs - home to sea urchins, exotic fish and eels, brilliant yellow, orange and red

sponges, sea turtles, shipwrecks and numerous types of coral - has not been surveyed completely. But one of the island's diving companies said about 20 percent of the reefs it visited immediately after the storm had been destroyed.

This island was dealt an awful blow by Mitch," said Julius Rensch, a Floridian who is president of Guanaja's tourism association and the manager of a seven-room hotel on the south side of the island that was destroyed. "But the resilience of the people here will allow them to pull back faster than the mainland. even though the mainland's going to get a lot more assistance. The islanders are not going to wait for help. They're independent and tough." Amazingly, only 10 people died on Guanaja (pronounced wa-naha) during the storm, which killed an estimated 10,000 people, mostly in Honduras and Nicaragua, during its rampage through Central America.

The storm wreaked massive environmental damage throughout the region, often in the same places damaged by huge forests fires last summer. That was no coincidence. First the fires deforested huge mountains, and then - absent the trees and un-

Vivalee Cooper sitting on what used to be the floor of her house; it is now the roof, and she and her three children live under it.

dergrowth — the rains caused massive erosion. Tiny streams became raging torrents that spilled their banks and ripped up huge swaths of trees. Hundreds of thousands of mature trees spilled from the mouths of rivers into the Caribbean and now line beaches as far as the eye can see. Honduran environmental officials said some forests lost up to 70 percent of their trees. Top government officials are considering a 10-year moratorium on logging.

N NICARAGUA, "preliminary data indicate that hundreds of thousands of trees were lost, many river beds, coastlines, lagoons, swamp lands and cultivation soils were damaged in large proportions," said the environmental minister, Roberto Stadthagen. "In some cases, the destruction was irreversible."

The small but growing tourism industry in both Honduras and Nicaragua was devastated. The prob-lem, government officials say, is not so much wrecked infrastructure as heightened concern among potential tourists about unhealthy water and the potential for disease and crime. In fact, the two

most popular tourist destinations in Hon-duras — the ancient Mayan city of Copan and the Caribbean island of Roatan, a bigger, glitzier neighbor of Guanaja — for the most part escaped severe damage and are open for business. "People are going to be afraid to come to Honduras in the short term because of water pollution and thievery because of hunger," said Arturo Corroles, a government spokesman. "Call it the Mitch Syndrome. I'm not sure where reviving tourism is going to come in the list of national priorities."

Nowhere is that question more pressing than among the approximately 10,000 res idents of Guanaja, a 21 square mile (55 square kilometer) island that rises to about 1.350 feet (410 meters) just 40 miles off the Honduras coast. Islanders — a curious cultural mix of retired Americans, descendants of black African slaves and white, English-speaking holdovers from the days when Guanaja was a British colony — said they had received aid packages from private groups, but have gotten virtually no disaster assistance from the government.

ANY of the esti houses that were destroyed were built on stilts above the water to escape sand flies and mosquitoes. Few people had insurance. Every one of the island's 12 hotels was severely damaged, although the two most famous — Bayman Bay Club and Posada del Sol --- expect to reopen soon.

Equally uncertain is the permanent impact on the environment of Guanzja, which Columbus dubbed "the Island of Pines" when he landed here in 1502 because of its groves of tall pine trees. Prior to Mitch, the island had a lush green canopy of

pines, palms and fruit trees with abundant bird life, and its inlets were lined with mangroves. Today, the island is completely brown, and sightings of parrots and hummingbirds are rare, residents said.

Some ecologists say that hurricanes are part of a natural cycle and are necessary to thin forests, lower the salinity of coastal waters and - as in the case of Guanaja - scrub underwater reefs and remove collected debris and pollution. Others are concerned that greater deforestation and erosion on the island could increase silt deposits on the offshore gardens of coral. Residents, meanwhile, say that rebuilding their lives is the first order of business, but that the destruction was so complete, they hardly know where to begin. "We watched everything we worked for our whole lives go down the drain," said Robert Tatum, 51, as he and his wife, Jane, cleared debris from their beachfront property. All that was left of their house was a set of stairs. "One thing I can assure you is we're not going to leave it. This was all I ever worked for, and I'm not going to walk away because a hurricane came and blew my house down."

Starr, Polishing Image, Is Quizzed on Adultery

Disapproving, He Declares His Faithfulness

By Howard Kurtz

WASHINGTON — It will come as no surprise to most Americans, but the special counsel, Kenneth Starr, says he does not approve of extramarital sex and has never engaged in it himself.

In his first prime-time interview, with ABC television, Mr. Starr said, 'The answer to the big question is 'no.' I have

answer to the big question is not been unfaithful to my spouse.

"I'm not trying to pat myself on the back, but I've tried to live by what I believe is my obligation and my responsibility."

Asked whether adultery was a great

sin, Mr. Starr said, "At a moral level, it's each person's determination about what kind of life he or she is going to The interview with Diane Sawyer of ABC is part of Mr. Starr's effort to

refurbish his image after intense crit-icism from White House officials and congressional Democrats. A spokesman said Mr. Starr had felt that it was not appropriate to give major media interviews until after his testimony Thursday before the House Judiciary Committee on his findings con-cerning President Bill Clinton. Mr. Starr's Sept. 9 report to Congress, which alleged perjury, witness tampering and obstruction of justice by Mr. Clinton, contained graphic details of the pres-ident's relationship with a former White

House intern, Monica Lewinsky. Mr. Starr spoke with the Ms. Sawyer for three and a half hours last weekend. A one-hour program containing excerpts of their conversation was to be broadcast Wednesday evening on the network's 20/20 program. Participants in the session described him as defensive at times, candid at others, and emo-

tional when discussing his staff. While shedding little new light on his investigation of Mr. Clinton's relationship with Ms. Lewinsky, the special prosecutor did acknowledge problems in the handling of Linda Tripp, Ms. Lew-insky's onetime friend, who brought her secret tape recordings of conversations with Ms. Lewinsky to Mr. Starr's office in January and later wore an FBI wire. Mr. Starr was asked about Ms. Tripp's being allowed to leave his office and, hours later, speak to attorneys repre senting Paula Jones in her sexual har-

assment suit against the president. control of her," he said. Mr. Starr added that his staff had been unaware of the contact with Mrs. Jones's lawyers.

personal questions as he was, talking about his views of extramarital sex." She said the subject was legitimate because in the political arena, as he knows, then is a constant questioning of hypocrisy.

The ABC program, for which five o Mr. Starr's prosecutors were also interviewed, gives him a high-profile forum to combat the perception that he is, as

Ms. Sawyer put it, "a moral crusader,"

"self-righteous," "sanctimonious,"

puritan" and "the sex police."

Such critics are wrong, Mr. Starrsaid
because Anomey General Janet Rei approved his request to examine wheth Mr. Starr commented on the purpose of that inquiry: "Were crimes committed?
Not 'Gee, what really happened in that
hotel room at the Excelsior?' Forget that.
And you know what? The whole idea of equal justice under law means that

you've got to play by the rules. It has nothing to do with the underlying subject matter. You just tell the truth." He also defended the content of his report to the House, saying his staff made a "professional judgment" to include the graphic sexual detail about Mr. Clinton and Ms. Lewinsky. When Ms. Sawyer questioned the report's tone, he shot back "Diane, don't fault career prosecutors for telling the truth."

Asked what he personally thought of Mr. Clinton, the prosecutor described him as "extraordinarily talented, work derfully empathetic." But his tone was very different when Ms. Sawyer asked what would happen to the legal system "if Bill Clinton is allowed to get away with this." with this."

"I think perjury — let me say, lying under oath and encouraging lies under oath -does go to the very heart and soul of what courts do," Mr. Starr said. "And if we say we don't care, let's forget about courts and we'll just have other ways of figuring out how to handle disputes, let's abolish the judiciary. But as long as we abolish the present.

and I think any judge have the courts — and I think any judge worth his or her salt would say, cannot tolerate perjury.

Mr. Starr gave no on the record in terviews during his investigation until he spoke last spring to Brill's Content magazine, touching off a furor by acknowledging that he had talked to reporters on a not-for-attribution basis. Charles Bakaly, a spokesman for Mr. Starr, said that the special prosecutor

may do more interviews but "is not "I think we could have had better control of her," he said. Mr. Starr added that his staff had been unaware of the contact with Mrs. Jones's lawyers.

Ms. Sawyer said Monday that she was "He is a public figure and he's trying to meet that need."

Hong Kong Opts Not to Renew **Contract of Airport Director**

The Associated Press
HONG KONG — Five months after

the disastrous opening of Hong Kong's new \$20 billion airport, its chief executive is stepping down, the airport authority said Wednesday. The departure of Hank Townsend, a

former International Bechtel Inc. engineer, takes effect Monday, when his contract ends, according to a spokesman for the airport authority, Chris Donnolley. Mr. Townsend "was suspected to have had a mild stroke, but that is not the

reason why he is retiring," Mr. Don-nolley said, declining to elaborate. The move comes just days after Mr. Townsend testified during legislative hearings that he could have been more forthcoming about potential problems

when the airport at Chek Lap Kok opened on July 6.

Government officials have complained that they were not fully informed and proceeded with a gala open-ing of the airport that left them embarrassed as computer breakdowns and systems problems crippled both

passenger and cargo services.

Meantime, the official who originally said he would take the blame for the airport troubles was reappointed as chairman of the airport authority, along

with 14 other board members whose terms were expiring.

Wong Po-yan and the others will keep their jobs as an interim arrangement for another six months, amid in vestigations into the problems, the government said.

"The airport is now rumin smoothly and we will continue to do alwe can in close collaboration with the government," Mr. Wong said in a state-

The airport's troubled opening was costly. The government has estimated that a ban for more than a month on all cargo except perishables and essential goods will shave 0.35 percent off the territory's gross domestic product.

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Defibrillator Saves a Life on U.S. Flight

BOSTON — A man who went into cardiac arrest while aboard a plane to Los Angeles is believed to be the first person to have his life saved by a defibrillator during flight, an airline

spokesman said.
Michael Tighe, 62, director of community relations for the Boston Public Health Commission, went into cardiac arrest last week aboard an American After his wife, Dolores, began per-

forming cardiopulmonary resuscitation,

flight attendants arrived with the de-After shocking his heart five times, attendants turned over the care of Mr.

Tighe to a doctor aboard the flight.

Mr. Tighe's flight was diverted to

Denver, where he was hospitalized. Other passengers have been shocked with a defibrillator in-flight, but Mr. Tighe is believed to be the first to survive, an airline spokesman said.

In February, a man was successfully revived with a defibrillator as his American Airlines flight waited at a gate in

In July 1997, American became the first domestic airline to require the portable defibrillators — about the size of a laptop computer - aboard planes. Other airlines have since followed suit.

TRAVEL UPDATE

X-Ray or Strip Search?

WASHINGTON (AP) - For the first time, U.S. Customs inspectors at airports are giving passengers suspected of smuggling drugs the option of being X-rayed instead of strip searched.

The pilot program is under way at New York's Kennedy International Airport and Miami International Airport.

Continental Airlines has sued rival Delta Air Lines over baggage-sizing devices it installed at security checkpoints that both airlines share, alleging the equipment creates traffic jams.(AP)

WEATHER

Forecast for Friday through Sunday, as provided by Ad Europe

North America

North America

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32/80 18/64 8 22/80 18/64 8 28/84 18/64 p 28/82 12/83 f 28/77 12/85 36/97 13/85 28/84 14/87 18/96 11/82

Much of the central and Windy with showers at eastern per of the country times in London and Paris; will be dry and unseason rather mild at first, then ably warm. Temperatures turning cooler, Macirid will may reach the middle be dry and cool, while teens in Chicago and Home is chilly with some forcets and 10-15 in New showers. Attents and istan-york Chy and Washington, but will fittely have more D.C. The Northwest will adu. Moscow and Washare remain stormy, and Califor will remain oold and marrily he may have some showers.

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Middle East

27/80 28/77 26/77 32/89 29/84 20/68

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By Guy Gugliotta and Juliet Eilperin

article charging him with perpassing while a possible and require Mr. Clinton's sig-second count of obstruction nature. of justice would fail, according to senior Republican and Mr. Solomon's comments Party sources.

Clinton short of impeach- nate, Bob Livingston, Repubment, such as a congressional lican of Louisiana, assumed Resolution of ceasure, ap-leadership of his party in the variage of such an opportu-peared to be gaining mo-thematical to be gained to be gained

count, the sources said, plore possible outcomes to the showed that such a measure impeachment inquiry, was likely to pass if Demo. The Judiciary panel itself impeachment supporter, circulating the first formal censure proposal in the House.

. A senior Republican aide acknowledged that Mr. McHale's move could carry remendous weight" in the with former a White House lebate over whether Mr. volunteer, Kathleen Willey, Clinton should be impeached who has accused the presifor concealing his relation- dent of groping her in the ship with a former White Oval Office suite in 1993. House intern, Monica Lewcriminal investigation.

ment on a perjury charge was presentation. Then, the com"definitely in play," an obstruction of justice charge,
The 21 Depublicant on the "at the present time, has no

POLITICAL

Ads Figure in a Senate Face-Off

* WASHINGTON - Senate Republicans have got their only

postelection leadership fight as a first-term senator, Chuck Hagel, challenged a veterant define McConnell, for clair, manship of their campaigness manship a to the campaigning and put a "positive" focus on the

Mr. McConnell, of Kentucky, claims more than enough votes

for win a second term as chairman of the National Republican.

Senatorial Committee. But Mr. Hagel, of Nebraska; says he is

"within striking distance" of winning the votes of a majority of
the 55 Senate Republicans at a cancus Tuesday. The party failed
to make a net gain in Senate seats in the Nov. 3 elections.

"One of the lessons learned from the 1998 elections is that we

"One of the lessons learned from the 1998 elections is that we need to give the American people reasons to vote for Republican candidates, not just against Democrats." Mr. Hagel said.

He was particularly scathing about what he referred to as "demonizing" ads. "This nonsense of savaging your opponent and making their noses grow long and their ears grow harry and big, that's something my 6-year-old and 8-year-old find quite amusing," he said. "It's great theater, but I don't know what it does to improve the culture of politics or governance or leadership in this country."

Clinton Pushes Internet Adoptions WASHINGTON - President Bill Clinton has announced the creation of an Internet site that will carry photographs and

information on as many as 100,000 children in foster care nationwide, in hopes of matching them with adoptive parents.

Mr. Clinton announced the initiative at a White House ceremony marking the first anniversary of the Adoption and

Safe Families Act, which revamped the foster care system to speed placement of children in permanent homes after they are

speed placement of children in permanent homes after they are taken from abusive or neglectful parents.

The law established federal bonuses of \$4,000 paid to states for every child who is adopted out of the child protection system, and \$6,000 for the adoption of a child considered hard to place because of age, handicap or other circumstances.

Mr. Clinton hopes the new internet effort will help to achieve a goal of doubling the number of foster care adoptions by \$102. "We can use the internet to promote adoptions while protecting the confidentiality of children and families," he said. "Technology has given us an important tool and we

"Technology has given us an important tool and we

Currently, 18 states have Web sites to promote adoptions of

children in foster care, and other states provide information to private agencies that have created similar sites. But this

cumbersome system makes it difficult for prospective families to learn about available children across the country (WP)

vote on censure,

floor vote next month on imion has found that a single sure, like Mr. McHale's pro- Mr. Clinton obstructed justice counsel, Kenneth Starr. posal, that would be passed by deliberately masking his jury would come close to by both the House and Senate

The vote survey Tnesday ters. side the Judiciary Committee The Republican vote have begun seriously to ex-

crats followed the public po- now seems intent on wrapsition of their leadership and ping up its investigation as embraced it. Even wavering soon as possible in order to Democrats are now doing meet the plan of its chairman, that, with Representative Paul Henry Hyde, Republican of McHale of Pennsylvania, the Illinois, for a vote on articles first Democrat to call for Mr. of impeachment the week of Clinton's resignation and a Dec. 7 and a vote in the full member viewed as a likely House the following week.

Judiciary Committee sources said the panel had no plans to depose any witnesses beyond the three expected to appear next week regarding Mr. Clinton's involvement

The sources said the cominsky, in his testimony in the mittee was also considering Paula Jones sexual harass- granting the White House a ment case and subsequent full day of public hearing the week of Dec. 7 to mount a The aide said the vote defense, before the Republicount found that while full can chief counsel David House approval of impeach- Schippers, makes a closing

The 21 Republicans on the chance." Should an impeach- 37-member committee are ment vote fail on the House virtually certain to approve a floor, Republicans said, it charge against Mr. Clinton sexual involvement with Ms.

relationship with Ms. Lewinsky and, perhaps, misleading investigators in other mat-

While they have not rethey were likely to take addiciary Committee.

[Mr. Clinton will submit written responses on Friday against impeachment that are expected to rely heavily on his prior testimony, an told The Associated Press on Wednesday.] On many of the questions,

allies believe the White to impeach the president. House will provide the "admit" or "deny" answers re- Democrats who voted with

peaching President Bill Clin-resolution could take: a mea- al is less likely, charging that vened by the independent or did not return calls.

House Republicans prodicted that a perjury charge against the president could result in a cliff-hanger vote on the House floor.

A senior Republican lead-But a punishment for Mr. tions since the speaker-desig-day to present their case, licans had counted 30 of the White House officials said current Congress's 227 Republicans who "might possibly" vote against impeach-ment, but the estimate dropped preparing to respond to 81 to 20 when the measure was stions posed by the Ju- confined to a single perjury count. Only five Republicans have said they intend to vote

> The aide said Republicans ily on his prior testimony, an would quite likely pick up at official close to the president least five Democratic defectothers, bringing them within three votes of the 218 needed

Telephone calls to the 31

was increasingly likely that for perjuring himself in grand quested by the committee; on the Republicans in October to the leadership would allow a jury testimony regarding his other, more confirmational open the impeachment inquestions, such as those ask- quiry found at least three who WASHINGTON — A premin of the House Rules Comminary surview by Name D.

In an interview, the chair—
Lewinsky. But committee ing him to admit lying under say they will vote for imminary surview by Name D.

Sources said the Republicans oath, the White House will peachment. Five others said liminary survey by House Remittee, Gerald Solomon, Reon the Indiciary Committee probably refer the committee they would not vote to improve the committee of th publicans looking ahead to a publican of New York, were also considering a to Mr. Clinton's Aug. 17 testisecond article whose approv- mony to a grand jury con- have not made up their minds

One of the Democrats included in the Republicans' original count of five defectors, however, was Mr. McHale, who on Tuesday released a draft joint resolution that "does hereby censure and condemn William Jefferson Clinton," charging that Mr. Clinton committed perjury, obstructed justice and "acted in a manner contrary to his trust as president." Mr. McHale said he had

drafted the resolution because "it became clear to me that impeachment in the House was unlikely, and the possibility of conviction in the Senate was extremely remote."

"If, in fact, the outcome of ors, and possibly two or three the impeachment process is unlikely to affect the president's term in office, it is in the nation's best interest that we conclude the matter quickly and responsibly," he said.



LUCKY TURKEY - President Bill Clinton, center, announcing a pardon from Thanksgiving dinner for the bird given to the White House by Stuart families and the Cali cocaine Proctor, left, of the National Turkey Federation, cartel in Colombia.

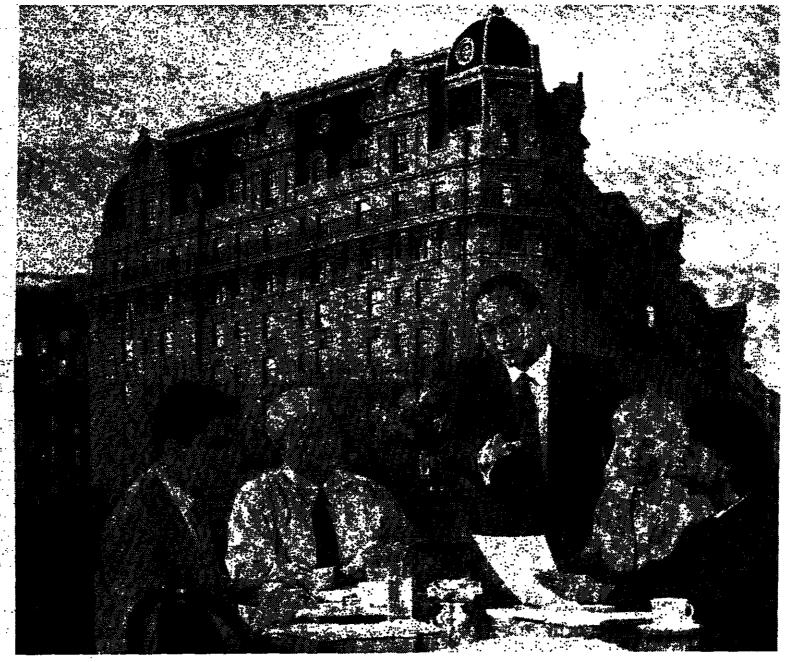
Away From Politics

 A skier paralyzed after be struck the steel post of a sign that read "Be Aware - Ski With Care" can sue the ski resort where the accident occurred, a California appeals court has ruled. John Van Dyke suffered fractured vertebrae and was permanently paralyzed from the waist down in the accident in 1994 at Bear Mountain.

• Less than a year after 11 wolves were released in Arizona in a widely promoted reintroduction effort, at least five are dead. Federal officials have offered a reward for information in three of the shootings; the fourth wolf was shot by a camper, who was not prosecuted. (AP)

 A 20-vear FBI veteran was sentenced in Miami to five years in prison for stealing \$400,000 from criminals and the FBI to pay gambling debts. skimming funds from investigations of New York mob

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HUTE

Gun Champion Turns on Smokers WASHINGTON — Charlton Heston may be a hero to gun fiwners but some of his heretofore friends in the smoking community cannot understand why the actor backed a California ballot initiative increasing eigarcue prices by 50 cents a

should use it."

pack.

Tom Humber, president of the National Smokers Alliance, fired off an angry letter to 250 conservative activists saying Mr. Heston's "lapse of judgment" was a "dangerous precedent that requires public comment."

Mr. Heston, head of the National Rifle Association, supported the recently supported Proposition 10 which reject ported the recently approved Proposition 10, which raises tobacco taxes to pay for childhood development programs. At the bequest of a friend, the Hollywood director Rob Reiner, Mr. Heston endorsed the increase in a radio spot. With that move,

Mr. Humber says, Mr. Heston slid down a shippery slope.

"Proponents of the Nanny State will stop at nothing to
"Proponents of the Nanny State will stop at nothing to
achieve their vision of a collectivist utopia, in which there will
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Quote/Unquote

Kenneth Siarr, the special counsel, in a relevision interview.

I think perjury — let me say, lying under oath, and encouraging lies under oath — does go to the very heart and soul of what courts do. And we do not want junior high students of what courts do. And we do not want junior high students of high school endeants to in any way can there is a written. and high school students to in any way say there is anything other than zero tolerance for knowing untruthfulness in

INTERNATIONAL

Reno Ruling Lifts Obstacle From Gore Presidential Campaign

By Richard L. Berke New York Times Service

WASHINGTON — Attorney General Janet Reno's decision Tuesday not to seek an independent counsel to investigate Al Gore frees the vice president from a daunting political millstone just as he is gearing up to begin soliciting millions of dollars for his presidential

campaign in 2000.
Mr. Gore's closest advisers had viewed the federal inquiry concerning campaign fund-raising as the most po-tentially debilitating obstacle to his capturing the Democratic presidential nomination. They had feared that a protracted investigation would have discouraged people from making contributions, distracted Mr. Gore and his aides for months and handed the vice president's rivals in both parties ammunition to impugn his integrity. Now, advisers to Mr. Gore predict that Ms. Reno's move will discourage other Democrats from taking him on.

who is close to Mr. Gore.

"It would really have been a heavy burden for him to bear while he's run-ning for president," Mr. Harkin said. "I don't think it would have been a death blow, but it would have been a couple of good punches to the head. It would have made it much harder for him to raise money.

One close adviser to ANALYSIS Mr. Gore, speaking on the condition of anonymity, said that virtually every move by the vice president would have been "suspect and potentially subpoenaed." Instead, the adviser said, it will now be "a suicide mission" for any Democrat to challenge "a very well-financed and well-organized vice president."

Advisers to Mr. Gore said Ms. Reno's decision came at a fortuitous time because in January the vice president planned to shut down his political action There was nothing in the beginning committee, set up to generate goodwill

Senator Tom Harkin, an Iowa Democrat tablish an organization to collect money who is close to Mr. Gore. tablish an organization to collect money for his presidential bid.

The attorney general's decision is the latest encouraging development for Mr. Gore, who was buoyed by the unexpectedly potent showing of Democrats in this month's elections. Mr. Gore had campaigned for many Democrats who were victorious. And aides to Representative Richard Gephardt of Missouri said the House Democratic leader might be discouraged from challenging Mr. Gore for the nomination because Mr. Gephardt would probably become House speaker if Democrats regain con-

trol of the House in 2000. Given his role as an unusually influential vice president, and with the aggressive support of President Bill Clinton and the White House staff, Mr. Gore has long been by far the best-positioned Democrat to mount a pres-

idential campaign.
But questions about his fund-raising practices have dogged Mr. Gore for

strategists considered the inevitability that he would capture the nomination. The questions had also threatened Mr. Gore's Boy Scout image and had so put him on the defensive that he refused to discuss the matter with reporters for more than eight months.

Jeff Woodburn, chairman of Democratic Party in New Hampshire, which traditionally holds the first primary, said voters in the state had never been particularly concerned about the accusations that enveloped Mr.

'He's worked New Hampshire very hard and been very aggressive here,"
Mr. Woodburn said. "He starts with quite an advantage over most everyone else just by virtue of his position. The biggest question is can he go through the fire of ground campaigning in this

A top aide to Mr. Gore, speaking on the condition of anonymity, said that while "I knew all along he had done

and there's nothing in the end but a lot of finger-pointing by Republicans," said didates around the country, and to esadded that he was relieved because "Obviously, it's never pleasant to deal with this sort of stuff."

. The vice president is still lampooned for his awkward performance at a news conference in March 1997, when he defended his telephone solicitations from the White House by declaring there was "no controlling legal authority" on

whether they were permissible.

And future political opponents are likely to dust off photographs of Mr. Gore attending an event at a Buddhist temple in California that improperly funneled contributions to the Democrat-

"It's just going to remove any tinge of impropriety," Rachel Gorlin, a Democratic strategist, said of Ms. Reno's de-

"But any time you're playing high-stakes politics, they're going to throw everything at you — from the kitchen sink to the nuns and the temple." Ms. Gordin said. "You can guarantee that."

Bonn Drops Call for NATO To Shift Over **Nuclear Use**

By Philip Shenon

WASHINGTON - Germany's newly elected government has backed away from a threat to press NATO to pledge never to be the first to use nuclear weapons and thereby renounce a central tenet of its strategy.

After meeting at the Pentagon with Defense Secretary William Cohen, the German defense minister, Rudolf Scharping, said that "there is no intention in my government to question any core element of NATO strategy, including the fact that nuclear forces play a fundamental political role.'

American officials said they were alarmed when the new German foreign minister. Joschka Fischer, a member of the environmentalist Green Party, suggested in a magazine interview published this week that Germany would press the North Atlantic Treaty Organization to renounce the possible first use of nuclear arms.

Mr. Cohen publicly rebuffed the German proposal. Welcoming Mr. Scharping's remarks Tuesday, Mr. Cohen said that NATO's nuclear policy should re-

main unchanged. Minister Scharping," Mr. Cohen said, "I think that we have a meeting of the minds — that the strategic concept is critical for NATO's security, that the strategic concept as far as the nuclear component should not be altered."

The United States is firmly opposed to any change in the doctrine allowing NATO to make first use of nuclear weapons in a war, arguing that it proved an effective deterrent during the Cold War and remains one today against small, nonnuclear nations that might develop chemical or biological

'We believe it continues to serve a vital security purpose for the NATO organization and should not be changed," Mr. Cohen said, standing next to Mr. Scharping at the news con-

ference at the Defense Department. The public debate within Germany in recent days over nuclear strategy suggests new rifts in the government co-alition between the Social Democrats and the Greens. In a coalition agreement reached last month, the two parties agreed that NATO should renounce the possible first use of nuclear weapons, a clear concession to the Greens.

But it had been unclear to American officials whether Chancellor Gerhard Schroeder, a Social Democrat, had accepted the declaration as an empty concession to the Greens or would in fact move to question one of the central tenets of NATO doctrine.

Mr. Scharping, a Social Democrat on his first visit to Washington as defense minister, said that the new German government had no intention of creating a rift with NATO by acting unilaterally on

'NATO is the most successful alliance we have ever seen in history so the main goal of our government in Germany is to strengthen NATO and its cohesion and to make NATO able to face the challenges for the next century," he



Demostrators cheering the Pinochet ruling outside the London clinic where he is being held. requests from outside jurisdictions.

LORDS: Dilemma for Blair

Continued from Page 1

Trade Minister Peter Mandelson said recently it would be "gut-wrenching" for people of his and Mr. Straw's generation to see the man who toppled Mr.

Allende go free.
Other members of the governing Labour Party cheered the decision. "This is fantastic news," said Ann Clwyd, chair-woman of a parliamentary human rights group. "This is an important signal to all those guilty of torture, genocide and

crimes against humanity. In France, where the government has also requested the extradition of General Pinochet, members of the National Assembly applauded when the ruling was announced, and Prime Minister Lionel Jospin called the verdict "a cause for joy, bad news for dictators." Belgium, Switzerland and Sweden also have de-

manded extradition. Geoff Gilbert, a specialist in inter-national law at the University of Essex, said Mr. Straw's handling of the case suggested that he was likely to allow extradition to proceed and to leave General Pinochet's fate up to the courts.

There are still doubts that British courts would accede to the extradition request, Mr. Gilbert said. The request mainly concems crimes that occurred in Chile, not

Mixed Reaction to Pinochet Ruling in Chile's Capital

SANTIAGO - Some Chileans reacted with joy, others with anger Wednesday amid fears of violence after England's Law Lords ruled that General Augusto Pinochet does not enjoy sovereign immunity, opening the door to his possible extradition and trial.

Thousands of demonstrators, mostly young people, raced into the streets of central Santiago shortly after the decision to express their approval of the ruling. Boisterous in their jubilation, the demonstrators headed down the capital's main avenue toward the central Plaza Italia, undisturbed by the police, with the relatives of some of those who disappeared during General Pinochet's

1973-1990 reign at their head. "A criminal does not have immunity," read a banner carried by a student.

contain their emotion as they hailed the decision of the Lords, who decided that the entire world," she said. the general should remain under arrest in London, where he was detained Oct. 16 Santiago, General Pinochet's supporters at the request of a Spanish judge seeking his extradition.

"It is a transcendental moment for all of humanity," said Viviana Diaz, vice a brief moment of perplexity, some burst president of the group representing families who lost members to the military regime, her voice choked with emotion. Others called this "the happiest day" of their lives. "Justice does exist," one

Horns of cars and public transport vehicles blared in the center of the Chilean capital and nearby neighborhoods as drivers celebrated the London ruling.

Gladys Marin, president of Chile's Communist Party, called it a historic verdict "for all the people of Latin America who have suffered so much." Some victims' relatives could not

"Today, Pinochet was condemned by

At the other end of the city in eastern received the news live on five giant screens erected in a foundation bearing the former Chilean leader's name. After into tears as the general's oldest son, Augusto, said: "My father received this hit on his birthday." The elder Pinochet

was 83 on Wednesday.
"We cannot be held responsible for anything." said the foundation's president, Hernan Briones, as Pinochet partisans stopped yelling protests and began attacking cameramen and journalists in

the establishment. The Lords' ruling is "a humiliation," said Pablo Longueira, president of the

Party. These two parties backed General Pinochet's regime and now form the strongest opposition to President Eduardo Frei and his center-left coali-

Peace in Chile depends on the situ-ation of General Pinochet, said Mr. Longueira, who accused the government of not sufficiently defending the former

The Chilean Army urged the government to take appropriate steps to secure General Pinochet's release from detention in London. The army statement came as the Frei government reiterated its call for Britain to release General Pinochet on the basis of immunity and announced the dispatch of the foreign minister to London.

In a brief nationwide address, Mr. Frei Independent Democratic and Alberto vowed to renew efforts to secure the Espina, head of the National Renovation release of the former dictator. (AFP, AP)

Turkey Eases The Tension With Italy

ANKARA - Turkey eased its insistence Wednesday that Italy hand over the Kurdish rebel leader Abdullah Ocalan for trial on treason charges, pointing to a possible lowering of tensions between the

"Ideally, we want him to be pros-ecuted and punished in Turkey," Ahat Andican, a government spokesman, said. "But if this does not happen, he should be prosecuted." under international law against tel rorism and punished in a third coun-

try such as Italy and Germany."

Turkey and Italy have been locked in a war of words over the fane of Mr. Ocalan, who was ar-rested in Rome on Nov. 12. Turkey promptly demanded his extradition to try him on charges of treason.

The leader of the Kurdish Workers Party, who spearheaded a 14year armed campaign for Kurdish autonomy in southeast Turkey, has anionomy in some as Tunkey, has asked for political asylum in Italy. Italian law bars the handing over of suspects to countries that have the death penalty. Execution is legal in Tunkey but has not been carried out

since 1984. Mr. Ocalan is also wanted in Germany for incitement to murder, but Bonn, fearing trouble among is large Turkish and Kurdish popul lations, has said it will not ask for his extradition. Italy urged Germany to make up its mind whether to act on its long-standing arrest warrant for Mr. Ocalan. But the chairman of the German Parliament's foreign affairs committee, Hans-Ulrich Klose, said Bonn would run the risk of "importing the Turkish war" if it requests the extradition and said Mr. Ocalan should be extradited to Tur-

There are an estimated 11,000 members of the Kurdish Workers Party, or PKK, living in Germany. During a wave of violence in 1993, Turkish-owned businesses were attacked by the PKK throughout the

country.

'Italy has no other choices to
'Mr Andican defuse this crisis," Mr. Andican, said. "If they let Ocalan stay in Italy, they can halt the PKK's terrorist activities but cannot stop drugs and arms smuggling by the

Also on Wednesday, Italy's Re founded Communist Party revealed that it had helped Mr. Ocalan come to Italy to seek political asylum. Ramon Mantovani, who is in charge of foreign affairs for party, said he accompanied Mr. Ocalan to Rome from Moscow on Nov. 12. He said it was Mr. Ocalan's idea to seek asylum in Italy. "We just provided help, without informing the Italian government," Mr. Mantovani said.

Meanwhile, strengthened by ex-pressions of support from its EU-partners, Italy said it would strike back against any Turkish boycott of Italian goods over its refusal to ex-

tradite Mr. Ocalan. Industry Minister Pierinigi Ber-sani stressed that Italy had "no wish for a worsening of its dispute with Turkey, even on a trade level." But he said Rome had "a thousand. ways" of hitting back if an embargo

went ahead. The Turkish government has denied calling for any boycott. or any boycott. (Reuters, AFP, AP)

PINOCHET: U.K. Lords Reject Immunity for Ex-Chilean Leade

Continued from Page 1

Pinochet would be flying home Wednesday afternoon on the Chilean Air Force jet that has been parked at a military field for the past six weeks.

But the next three judges, Lords Steyn, Nicholls and Hoffman disagreed, setting off gasps in the jammed public gallery and jubilant cheering and em-bracing among the Chikean exiles gathered on the street outside the stately Houses of Parliament.

The actual words that triggered the mad celebrations were as deliberate and undemonstrative as the quiet red leather club atmosphere in which they were

"I have had the advantage of reading in draft the speeches of my noble learned friends, Lord Nicholls of Birkenhead and Lord Steyn," Lord Hoffman told the hushed chamber. "I agree with them that Senator Pinochet does not have imbecame Senator for Life in March, large

ly for the purpose of giving him immunity from prosecution in Chile. While a group of 100 Chilean exist.

There was no direct word from the and other Pinochet opponents danced and other Pinochet opponents danced and other Pinochet opponents. munity from prosecution in Chile. hospital in North London where the and chanted joyously at the gates and Chilean has remained under police hospital, the ambulance that water guard, recuperating from back surgery last month.

But one of his supporters, Hernan Larrain, a rightist member of the Chilean Parliament who visited the general after the ruling Wednesday, said General Pinochet was "composed, ready to go

"He said it is not easy to beat him," Mr. Larrain told Reuters. "He said his conscience is clear and he will keep fighting for what he thinks is right. He was not depressed."

In his only comment since his arrest he issued a statement Nov. 8 saying he

munity from prosecution and I, too, therefore would allow the appeal."

General Pinochet, 83 on Wednesday, institutions he always admired, as would fight the extradition order "will all my spirit."

> pected to transport the general to Brite Norton Royal Air Force base in Offi fordshire drove off empty. -. The focus now turns to Home See

retary Jack Straw, Britain's interior mi ister, who has the Spanish extradition request on his desk, along with other from Belgium, France, Sweden as Switzerland Bow Street Magistrate Court in London has set a Dec. 2 dead line by which he has to decide whether allow the Spanish request to go before the courts. On the same day, General Pinochet will have to make his fi

appearance at a preliminary hearing.

Mr. Straw has the power to allo General Pinochet to leave England of grounds like concern for his poor health and among the first to urge him to do just that was Baroness Thatcher, the forms prime minister who has lobbied for if general's release, saying the Britishould be grateful to him for his supporting the war over the Falkland Island

"The Senator is old, frail and sid and on compassionate grounds alo should be allowed to return to Chile she said.

In the House of Commons on We nesday afternoon, William Hagne, Conservative leader, also called on l Straw to use his powers to let the ger go and end what he said had become huge diplomatic embarrassment for

country."

It's damaging relations with the long standing ally of our country at cattering instability in a country that now democratic." Mr. Hagne sand The British government has remained publicly aloof from the Pinochet p coedings, saying it was a matter for the judicial authorities here and in Spain

RESIDENTIAL REAL ESTATE

Isabel Allende, left, daughter of Chile's deposed leader Salvador Allende,

and Joaquin Almunia, an official of Spain's Socialist Party, applauding the

ruling Wednesday in England upholding General Pinochet's arrest.

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THRACE: TIME FOR DEVELOPMENT AND TOURISM

Rich with history, Greece's eastern provinces are attracting international trade, science and : nurism.

torians, without the gold of Thrace, as provinces are called, Philip, the father of Alexander the Great, would not have been Egnatia Highway, which will able to unite Greece and prepare the country for the conquests of his son.

Furthermore, without the Philip would not have met Olympias, a Greek princess from Northern Greece. They celebrations, religious known as "mysteries," honmarried and Alexander was their only son.

The gold ran out a long time ago and the mysteries are no longer celebrated in Today, Samothrace. however, Thrace is going through a phase of dynamic ically vital areas of Greece. garia.

The beauty of Samothrace, meanwhile, continues to at- ect, both from the local and tract visitors, who come to international point of view, is this green island to marvel at the proposed Burghas-Alexthe antiquities and see the site androupolis pipeline for the where the Victory of Sam- transportation of Caspian Sea othrace, one of the most beau- oil. An alternate route is also tiful statues in the world (now being proposed, which in the Louvre Museum in Paris), was uncarthed in 1863.

platform for development and economic cooperation with the Balkan and Black Sea countries," says Apostolos Photiades, former deputy minister of agriculture. Installations for an International Marketing Center are beprepared, while ing prepared, while Alexandroupolis, the area's

ccording to many his- main port, will provide free port status to neighboring Balkan countries, with facilities for storing containers.

from the construction of the and Asian companies, is citycross Northern Greece from the Adriatic to the Turkish frontier and continue on to the Black Sea. It will be a island of Samothrace, 10 revival of the Ancient Romiles off the coast of Thrace, man road of the same name that connected Rome with

Constantinople. "Other major projects are met in Samothrace during the the hydroelectric station of Thisavros and the thermo- delta of the river Evros, electric station of Komotini, oring the pre-Olympian which will use Russian gas gods; they fell in love, were carried into Greece through a pipeline crossing Bulgaria and Thrace," Mr. Photiades

The government has also started work on the creation of an Interborder Free Industrial Zone for Economic Exchanges in Ormenio, a development that will make town near the borders of it one of the most econom- Greece, Turkey and Bul-

The most important projwould run from the Russian-Turkish border to the Turkish "Thrace is becoming a port of Ceyhan in the Medi-

terranean. In addition to these efforts, several distinguished Greek-American scientists are planning to create a "Technopolis." or Science City, near the local university, to be named after Democritus, the ancient philosopher and father of

hind the Technopolis, which and Bulgaria. will be a large research center Thrace will also benefit serving European, American planner Antonios Tomazinis,

> of Pennsylvania Natural beauty

Thracians believe that their development plans will also open their area to both national and international tourism. A unique attraction for European ecologists is the

a professor at the University



Apostolos Photiades, former deputy minister of agriculture.

which forms the boundary between Greece and Turkey. It is a protected gathering place for most rare water birds, including herons, cranes and other exotic species. This and similar areas along the Nestos River, which divides Thrace from Macedonia and also attracts rare birds, will soon be de-

clared national parks. During the summer, tourists flock to the beaches near Alexandroupolis, and in the winter, hunters come to track wild boar, which still thrive "Kabeirian

احكنامن الأحن

from the 900-meter (3,000- istics similar to those of foot) high mountain Saos. According to Homer's Iliad, Poseidon, god of the sea, watched the battles between Greeks and Trojans from the tune, protection from the top of this mountain.

Before World War II. Samothrace had about 4,000 inhabitants. Now it has less than 3,000 permanent residents and a few modern hotels, totaling about 300 beds.

"We have a beautiful island but a short tourist season," says Myrsini Hanou, who manages Eolos, a 60bed hotel in Kamariniotissa, one of the five towns on the island.

The tourist season usually begins in late June and ends fourth century A.D. followin late September, when the ing an edict by Byzantine rains commence. During the Emperor Theodosius the summer, the island is connected with Alexandroupolis, 22.4 kilometers (14 miles) away, by both ferries and rapid boats known as "flying dolphins."

Another ferryboat line runs from Kavala, the port of Eastern Macedonia. "During winter we have only one ferry a day from Alexandroupolis, and that is canceled if the weather is rough," she

Dimitrios Matsas, director archaeological museum, ex- the North. No wonder Poter of a cult that practiced the struggle between Greeks and

According to Mr. Pho- in the mountains that form which honored pre-Olympitades, the driving force be- the borders between Greece an deities known as the "Great Gods." These gods The main area of tourist were later identified with Deattraction, however, is Sam- meter, Persephone. Hades othrace, a forested island of and Hermes. The central fig-180 square kilometers (72 ure of the cult was the "Great square miles) spreading out Mother," who had character-Kybele, adds Mr. Matsas.

"As in the Eleusinian Mysteries, the initiate cherished the hope of good fordangers of sea voyages and perhaps the promise of a happy afterlife," says Mr.

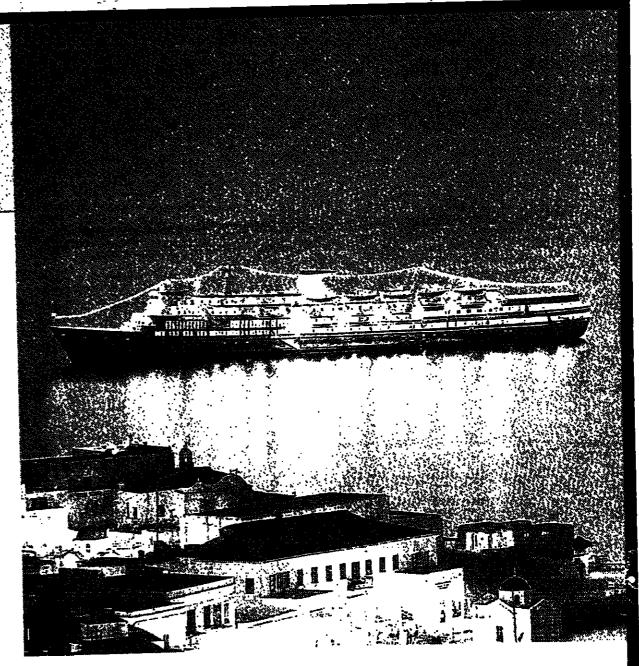
The cult's activities started in the seventh century B.C. but the buildings that surround the Sanctuary of the Great Gods were built in the fourth century B.C. and funded by the royal house of Macedon.

The cult of the Great Gods and the initiation into their mysteries ceased in the late

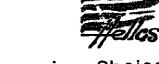
The ruins of the old sanctuary are in Paliapoli (the Old City) and include ancient walls, ruins of the temples and an early Christian basilica, which commemorates the landing of Saint Paul in Samothrace in 49 A.D. on his way from Asia Minor to the Macedonian city of Philippi.

"There is nothing more beautiful on a clear day than to climb Mount Saos and to view the coast of Asia Minor of antiquities and of the local in the East and of Thrace in plains that in ancient times seidon chose our island to Samothrace became the cen- watch from its peak the Mysteries," Trojans," says Mr. Matsas. ●

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مكذا من الأصل

Blair Flies to Belfast In Bid to Snap Logjam

BELFAST - Prime Minister Tony Blair demanded faster progress Wednesday to shore up the Northern Ireland peace process, as he met political leaders in a fresh effort to break the logjam.

Mr. Blair flew in for talks with First Minister David Trimble, leader of the Unionist Party, the main Protestant party in Northern Ireland, and John Hume, head of the largest Catholic party.

All sides are understood to be near agreement on North-South institutions comprising ministers from Belfast and Dublin, according to Unionists and Irish government sources.

Progress on that front has been licked by arguments over disarma-izent, with Mr. Trimble and his Unionists insisting that the IRA's political wing, Sinn Fein, cannot sit on a new powersharing executive until the paramilitary

organization has begun to disarm.
"We have achieved an enormous amount and we have got to go that extrabit," Mr. Blair said on arriving at Stormont outside Belfast. "It is very important that we get extra momentum behind the process, that we make sure that the process is implemented in full. and that most of all we listen to what, I am quite sure, the overwhelming majority of the people in Northern Ireland want, which is that we make this process

"The sooner we get the cross-border bodies sorted out the better," Mr. Blair added. "And we can do it, we just need people to find a way through it. We have just got to go forward recognizing this is the will of the people."

Both Mr. Trimble and Deputy First Minister Seamus Mallon, of Mr. Hume's Social Democratic and Labour Party, said they hoped progress would be made soon on the cross-border bod-

Mr. Trimble said there had been "a significant amount of progress," but some issues remained unresolved, including disarmament. "Society has invested too much in this to allow it to be destroyed by a handful of unreconstructed militarists in the republican move-

Mr. Mallon earlier warned that the April 10 peace accord could collapse unless decisions on the key issues were made within 10 days.

Later, arriving at Stormont, Mr. Mallon said he was "very afraid of inertia" and called for institutions to be agreed by the end of this week or the start of next week. "If not, we will be in great danger of this process losing credibility," Mr. Mallon warned.

The biggest obstacle remains decommissioning terrorist weapons. Sinn Fein rejects Mr. Trimble's stance, arguing that under the province's peace deal



Tony Blair at Stormont House on Wednesday in front of Seamus Mallon, left. David Trimble and Mo Mowlam, the Northern Ireland secretary.

there is no obligation to disarm until April 2000. Prime Minister Bertie Ahern of Ireland said Tuesday that it would be "entirely unreasonable" if the controversy over disarmament blocked all other progress in implementing the Good Friday agreement.

There also remain differences over the number of government departments

powers from London to Belfast,

Mr. Blair also met Wednesday with members of Northern Ireland's police force, the Royal Ulster Constabulary, which faces the prospect of reform.

On Thursday, he will make an historic appearance at the Irish Parliament when he becomes the first British prime minister to address deputies in both the that would be set up in advance of lower and upper chambers since Ireland February's transfer of legislative achieved independence in 1922.

Russian Spy-Case Verdict Has Both Sides Frustrated

By Daniel Williams Washington Post Service

ST. PETERSBURG - In any court case tried anywhere, it would be strange for the defense and the prosecution to appeal the same verdict to a country's supreme tribunal. But this is Russia, and the case of Alexander Nikitin is special.

The retired naval officer has been charged with espionage, accused of disclosing information on nuclear accidents at sea and environmental radiation threats caused by Russia's northern naval fleet.

The trial last month created an international sensation because environmentalists contend that Mr. Nikitin's prosecution is meant to stifle independent investigations of ecological dangers, and because the contest pitted the rights of an individual against the Federal Security Service, the successor to the Soviet-era KGB.

Three weeks ago, a judge in St. Petersburg said that the charges were vague. Instead of acquitting Mr. Nikitin, however, the magistrate told the security service to start all over.

Mr. Nikitin's lawyers proclaimed victory, but they also appealed to Russia's constitutional court to throw the case out on the grounds that the prosecution had not proven the charges. Most recently, an unhappy prosecu-

tion appealed, too, saying that the judge's conclusion was "premature" because he had not permitted all the expert witnesses to testify. Prosecutors contend that Mr. Nikitin revealed secret information on recent-generation nuclear submarines and on accidents involving missiles and reactors.

The appeals left the duel between free speech and the prerogatives of state secrecy hanging in the balance. Moreover, Mr. Nikitin remains in limbo. He has been under investigation for more than three years, of which 10 months were spent in jail and the rest of the time restricted to St. Petersburg. That restriction is still in place.

"For all that has happened, my personal position remains as it was before," he said in an interview at his office near an old St. Petersburg market. 'It is hard to understand.''
He spoke wearily. "I did ecology,"

he said, "I never wanted to be a political figure.

But that all seems out of his control

As part of his defense strategy, Mr. Nikitin's chief lawyer, Yuri Schmidt, has decided to exploit the publicity generated by the case. He intends to sue in the international human rights court in Strasbourg, France, in hopes of influencing the Russian government. Mr.

Schmidt argues that since Russia aspires to join Western institutions like the European Council, it will have to face living up to West European democratic standards.

Mr. Schmidt took heart in the St. Petersburg court's decision. It was the first time in Russian or Soviet history that the intelligence agency had been rebuffed in court. The appeal to the constitutional court is meant to "nonetheless express our dissatisfaction that Nikitin was not acquitted," he said. "We have to stand on principle, and not just be satisfied with a half-verdict."

While his case drags on, Mr. Nikitin worries whether the political climate might change. Already, Yevgeni Adamov, the atomic energy minister under the new left-leaning government of Prime Minister Yevgeni Primakov, said he thought Mr. Nikitin had divulged "critical information."

"I think the design and structures of nuclear reactors on Russian submarines has nothing to do with environmental protection," Mr. Adamov said.

Mr. Nikitin, 46, wrote his report for the Bellona Foundation, a Norwegian environmental protection group. Norway is concerned that radiation from junked submarines in the harbor at Mormansk might wash up on its shores.

Yeltsin Doctor Sees No Complications

Agence France-Presse MOSCOW - President Boris Yeltsin's heart surgeon said Wednesday that the president's latest bout with pneumonía was unlikely to cause problerns for his five heart bypasses, Interfax

Serious lung ailments can damage the heart, but Mr. Yeltsin's illness "does not affect the functioning of the heart said the doctor, Renat Akchurin.

After three reported heart attacks, Mr. Yeltsin in November 1996 underwent a quintuple bypass operation in Moscow. He has had no reported heart problems since, although he has been dogged by a string of respiratory infections and other ailments that have hampered his political activity and drawn calls for his resignation,

Mr. Yeltsin, 67, was hospitalized Sunday in Moscow after developing pneumonia, the second time that he has contracted the illness in two years.

A Kremlin spokesman Wednesday said Mr. Yeltsin was resting in "stable" condition. "His treatment is continuing," the spokesman said.

In France, Rumblings of Discord in Jospin Coalition

By Craig R. Whitney New York Times Service

PARIS — The honeymoon is definitely over for Prime Minister Lionel Jospin of France, who made this plea on French news radio the other night: "No impatience — let us govern!"

Mr. Jospin, a Socialist, still has bigh popularity ratings a year and a half after he won power and shocked the conservative politician who called the election, President Jacques Chirac. A pab-lic-opinion poll published in the weekly Paris-Match shows that 61 percent of the French people still have a good opinion" of both men.

But after the glory days of last sum-mer, when Mr. Jospin seemed on top of the world, his leftist coalition of So-

the German politician who as "Danny the Red" was one of the leaders of the French student movement in 1968 criticized Mr. Jospin for not granting residence permits to tens of thousands of illegal immigrants who had applied

"We legalized 80,000 men and womcn." Mr. Jospin said. "We did exactly what we said we were going to do." The 60,000 others who applied but failed to meet the criteria for legalization, he said, would be called upon to leave France "in normal conditions."

That meant not forcibly flying apprehended illegal immigrants back to the impoverished African countries most of them came from in chartered airplanes as the government of Mr.

begun fraying at the seams.

This month, Environment Minister: through most of his two years as prime Dominique Voynet, egged on by her minister, but not because of that Illegal Jellow Green, Daniel Cohn-Bendit — immigration is a contentions is a contentions.

country where the unemployment rate is 11.7 percent and jobs are scarce

Mr. Juppe's undoing was recession, but Mr. Jospin has been riding an economic boom. But some leftist supporters have begun grumbling that it has become difficult to tell the difference between Mr. Jospin and his prede-

The Jospin government also suffered a setback this autumn over a bill it had proposed to provide the legal equivalent of marriage for same-sex partners.

With Roman Catholic bishops criticizing the bill as a threat to families, conservative legislators mobilized so much opposition that some Socialist members left the floor during a crucial vote. The opposition carried the day Oct. 9 and rejected the bill, leaving Mr. Jospin to complain, "When you have convictions, you should be ready to defend them.

The government came back with an

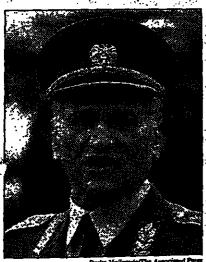
amended bill, but conservatives delayed it with more than 1,000 proposed amendments. Mr. Jospin's forces now say they hope for passage next spring.

His Communist supporters in Parliament, meanwhile, are increasingly restive over the prospect of far more privatizations of state-owned industries, such as France Telecom SA and Air France, than they thought they had signed on for when the left came to power last year. And even with a Communist minister

of transport in charge of the state railway system, railroad workers plan to close down the system for the second time this week Friday to push for the hiring of more workers as it moves to a 35-hour week next year. Mr. Jospin's government mandated a

nationwide reduction from 39 to 35 hours a week as its main job-creation measure, but only 160,000 of the more than 3 million unemployed have found jobs since he took power.

Kosovars Free Kidnapped Policeman



General Momcilo Perisic, who has been fired as Yugoslav Army chief.

Belarus Introduces

Rationing of Food

MINSK, Belarus — Amid severe

MINSK, Belarus — Amid severe food shortages, the Belarus government is imposing rationing for milk, meat, marches and other goods.

President Alexander Lukashenko also told the government Wednesday to cap salaries at this former Soviet republic's few private companies.

Officials in the capital, Minsk, have limited shortners to two cartons

have limited shoppers to two curtons of milk, 2 kilograms (4.4 pounds) of meat or poultry, 400 grams (11 conces) of cheese, 10 boxes of

matches, and 300 grams of chocolate.

Belarus still has a rigid Soviet-style economy, as Mr. Lukashenko has

blocked most reforms and kept en-terrorises under state control. (AP)

terprises under state control.

Copernicus Book

Stolen in Poland

-

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Jan 1973

A 54

- By Mike O'Connor New York Times Service

LIVADICA, Yugoslavia - There has been a small advance in the effort to prop up the fragile cease-fire between Yugoslav authorities and ethnic Albanian rebels in Kosovo Province. After U.S. diplomats interceded, the rebels released Goran Zbiljic, a Serbian police officer whom they had kidnapped about a week earlier.

The release is important because experts estimate that the rebels have kidnapped more than 200 Serbs, with most believed to have been killed.

Beyond that, the release seemed to show that international monitors might help in limited ways to defuse what diplomats see as a surge in tensions between two forces that suspended serious fighting less than two months ago and that seem to be preparing for more war.
Every day, the foreign monitors who

Wednesday outside a temporary-em-

ployment agency in Madrid, Interior Ministry officials said.

Police said they had been tipped off by a telephone caller claiming to rep-resent a shadowy leftist group called

Grapo's precise aims have never been clear, although newspapers have

reported that at a secret congress in

September it decided to wage low-

intensity attacks on what it saw as

Warsaw to Auction

WARSAW - Poland's govern-

ment will auction off an underground

nuclear shelter that formerly was a

Warsaw Pact secret war headquarters

for an opening-bid price of \$20,000, a spokesman said Wednesday.

kilometers (200 miles) southwest of

Warsaw, is being auctioned under a program to sell off obsolete property

and equipment by the Military Prop-

An agency spokesman, Wieslaw Rozbicki, said that the former nuclear

The shelter in Gluchow Gorny, 350

A Nuclear Shelter

capitalist targets.

BRIEFLY

patrol Kosovo say, small fires have to be tamped out to prevent renewed combat. Although on paper their mission is

good, but I think we are living in a false reality," a European diplomat said, "because neither side really believes

The rebels want an independent country and are supported by most of the ethnic Albanians, who make up 90 percent of the Kosovo population. The

After a summer in which the rebels greatly expanded their territory and a fall when the government struck back with an offensive that left thousands homeless, NATO threatened air strikes unless the government withdrew many of its forces. With fewer soldiers and police officers deployed, civilians began to return to many of the areas that they had fled in the offensive. Many

stroyed their houses. The scene at the released officer's home gave some hope that diplomacy might work. Snowdrifts covered the baystacks and the outbuildings. Around the kitchen table inside Mr. Zbiljic's neighbors and fellow officers gathered.

Mr. Zbiljic was escorted home by U.S. monitors, who said they had convinced the rebels that it was wrong to

prisoner and he got me out." Army Chief Is Dismissed

dismissed the chief of the army, General Moncilo Perisic, in what observers said

to be linked to the latest developments in Kosovo and accords reached in October between Mr. Milosevic and the international community, military sources said. Senior army officers are reported to be unhappy with Mr. Mi-losevic's having agreed to NATO surveillance of Kosovo.

General Perisic's dismissal follows the dismissal of the Yugoslav Air Force commander, General Limbisa Velickovic, on Oct. 30. Three days earlier, the chief of Serbia's security service, Jovica

General Perisic was succeeded by General Dragoljub Ojdanic, who was deputy chief of the general staff and commander of the army corps in the Belgrade region and sombern Serbia.



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WARSAW — A rare, first edition of a book by the 16th-century astronomer Nicholas Copernicus has been stolen from a scientific library in

Krakow, police said Wednesday.

The book, "De Revolutionibus,"

is a 1543 work in which Copernicus presented his revolutionary thesis that it was the Earth which revolved around the sun.

Madrid Bomb Alert Outside Job Agency

perts defused a small explosive device ministers. (Renters)

shelter could become a wine store-

For the Record

erty Agency.

The European Commission said it had officially endorsed the proposal to lift the ban on British beef exports following Monday's approval by a MADRID - Bomb disposal ex- majority of European Union farm

to keep their own governments informed about events in Kosovo, they have become de facto negotiators of local peace agreements and, on Tuesday, the prisoner release.

For now, their efforts and a furious snowstorm have helped keep fighting isolated and at a low level. "It looks

they can get what they want without more combat."

government has, through U.S. medi-ators, offered limited autonomy.

found that government forces had de-

keep him.
"This is the man who saved me." Mr. Zbiljic said, whipping out a business card that read, "William 'Nick' Slavik." "He visited me when I was a

President Slobodan Milosevic has Wednesday was a continuing purge of the military, Agence France-Presse re-ported from Belgrade.

General Perisic's dismissal seemed

Stanisic was also dismissed.

Crib Tech



'A report says stock traders in Hong Kong, long considered a financial center, need to offer on-line services.

Hong Kong Seeks a Place on High-Tech Map

By Philip Segal International Herald Tribune

ONG KONG — More than a year into the region's financial crisis, Hong Kong seems to be getting the message: Without constant innovation in technology, it could lose its standing as a world financial center, turning into just another big city in China.

"We have a very strong entrepreneurial culture, but due to historical factors, this is not wedded to technology," said Raymond Ch'ien, a member of the government's Executive Council and chairman of the territory's Industry and Technology Development Council.

Blessed with one of the finest harbors in the world and a neighboring country with a bil-lion low-cost workers, Hong Kong was in some senses in coasting mode when the financial crisis hit last year. Real estate prices always seemed to be rising, and anyone with capital could make far more money in the short term by flipping property than by plow-ing profits back into a start-up company for several years before making it big.

As a result, "Hong Kong is not on the Asian high-tech map," said Anson Wang, formerly in charge of Asia Pacific Asset Management at State Street Bank Corp. and now chief investment officer of Hongkong.com

Studios, a limited partnership between several private Hong Kong families and China's state-owned China Internet Corp.

Hongkong.Com Studios was set up to provide what local banks and stock markets would not as much as \$10 million in seed capital for currently unprofitable technology start-ups that hold the promise of a good idea, which one day could make a lot of money. Yat Siu, who spent more than 10 years in

Silicon Valley and returned to Hong Kong with rusty Cantonese in 1995, employs 15 people in one of the companies receiving funding from Hongkong.com Studios. His company, Outblaze, has set up 80,000 sub-scription mailboxes over the Internet, but Mr. Sin said that he has found since returning to Hong Kong that there is "very little creative development compared with the U.S

Not only that, but "seed capital for Internet companies is extremely hard to come by and entrepreneurs are largely left to fend for themselves, with little enthusiasm and support from the small local venture capital community in Hong Kong," he said.
While in the United States losing money in

start-ups is practically a badge of honor, a mentality of quick profits still pervades Hong Kong. The first question posed by a local journalist at the news conference announcing the funding program Monday was: How could this program expect to succeed given

that the companies receiving funding are cur-rently unprofitable?

As part of an effort to make technology more appealing as a career, the government announced a five-year strategy for promoting information technology education. It promised to buy 65,000 computers for the ternitory's schools, provide 80,000 training places for teachers in technology-related subjects, and to provide Internet access for all

Hong Kong has been able to remain Asia's premier center outside Japan in finance, but in recent months it has become clear Singapore is engaged in an all-out campaign to challenge Hong Kong's top position.

N THE PAST two months, Singapore has announced a series of measures to open further their financial sector to foreign participation and has launched a contract based on Hong Kong stocks that directly challenges a similar one traded in Hong

Kong.

Highlighting the importance of technology in finance, a report this week by the Massachusetts Institute of Technology said that more than 30 percent of Hong Kong's retail stock brokers could be out of business by 2010 without the capacity to provide on-line services to customers.

Still, the fight to remain a financial center

revolves around more than having the latest machinery. What a cay does with its computers is equally important, and Hong Kong appears to be moving toward a more ag-gressive stance here too. On Tuesday, the chief executive of the stock exchange, Alec-Tsui, said Hong Kong was considering a radical expansion of trading hours to allow investors in all time zones to have live access to the market during their own business

If Hong Kong's mam Asian competitor in finance for the moment is Singapore, India poses one of the main threats in information technology. With its already thriving software industry centered in the southern city of Bangalore, India can boast some of what Hong Kong can, and more: It has an abundance of well-educated engineers, and unlike in Hong Kong, most can speak and write excellent English.

In Hong Kong, proficiency in English has been dropping steadily for years and may worsen further now that the government discourages the teaching of many subjects in English in favor of Cantonese. Knowledge of the Cantonese dialect as well as Canaa. national language — Mandarin — the modoubt vital for anyone trying to write software for the Greater China region, but English remains the international language of business.

ness as well as the Internet.

ALT /Commentary

Iridium Satellite Phone: Impressive, but With Limits

By Mike Mills

7 ASHINGTON — I took my Iridium satellite phone out for a test drive the other day not in Australia's Outback or other remote locale but in the suburban jungle near

Washington. : Heeding the strenuous pleas of Iridium executives not to try the phone in the city, where tall buildings would obstruct the line-of-sight signals to the satellites, I went to a clearing, extended the cattle prod-like antenna and powered up the

The appearance of a little house icon on the display screen told me I was in business: It meant my phone, with its own Iridium country code and international phone number, had successfully reached a satellite crossing overhead in a polar orbit.

The satellite then bounced the signal to Iridium's North American ground station "gateway" in Arizona, where a computer checked to see that the phone bill had been paid, and answered with a sig-

nal approving the satellite phone's use. Then I did what I'm sure many global business travelers will do once they get their hands on an Iridium phone in a remote place: I called my wife.

The call repeated the path from my hand to the satellite, then to Arizona, but then the call was sent along fiber optics lines back to her office in Washington.

'Hey, isn't this cool?' "It always makes me nervous when you call me while you're driving," she replied, nonplussed right on cue.

"I'm not driving. And I'm not on a cell phone. This is an Iridium phone. They just came on the market this month." After I explained the new constellation of 66 Iridium satellites, she conceded that it did seem pretty neat.

Then the call started breaking up. Her voice was dispersed into misplaced digital packets, as if some avant-garde composer had taken snippets of our conversation, scattered them around and played them back out of order. After a few seconds, my wife's voice rearranged itself.

"What happened?" she asked

Edward Staiano, the chief executive officer of Iridium LLC, said later that it most likely was a land-based software bug that is still being worked out. As for a later call that was dropped completely, he attributed that to a hole in the network caused by the 66th satellite, which was launched Nov. 8 but is not yet op-

erational Roughly 85 percent of Iridium calls are completed, he said, while 11 to 12 percent of completed calls are dropped. That is roughly in line with my ex-perience: I made a dozen calls and got dropped once, though several calls were garbled. Mr. Staiano said his goal is to have 98 percent of calls completed with a 3 percent drop rate by year's end.

The voice quality of the conversations also was less than I expected. Voices sounded nasal and somewhat tinny. "That's probably about as good as it will get," Mr. Staiano said, comparing the results to voices heard on

mid-quality cellular systems.

After watching the first Iridium satellite shoot into orbit more than a year ago, I have to admit to a geeky sort of

glee when I finally got to use the phone. This upside-down cellular phone net-work in space — where the antenna towers move above you — actually works. It's the world's first based on

low-orbiting satellites. Before Iridium, global "sat-phones" were the size of small briefcases. And because they used higher-up geostationary satellites, you could not escape that nagging half-second delay as the signal went up and back down to the other

Iridium's marketing approach has changed greatly since early 1997, when company officials seemed to be in denial that their target usage area was shrinking faster than the rain forest, as the world's land-based wireless phone networks quickly fanned out to places previously thought untouchable by cel-

THEY reacted shrewdly, I believe, by taking full advantage of -- and even pushing to advance — the concept of a global cell phone. Now, the Iridium concept is more than just its satellite phone and satellite pager. A new cassette backing plugged onto the phone converts it to a cellular phone that can work with any of the world's incompatible wireless standards (the an-

tenna pops off). Or, by using a credit-card-sized "SIMM card," your Iridium phone number and billing data can be plugged into most regular pocket phones in use around the world. That means calls to

vour number will ring on that phone. Iridium also will give you a calling card with a toll-free global number so you don't have to fumble with foreign currency or eat huge hotel phone

Unfortunately, all of this costs big money. The phone costs \$3,395 and you

Iridium portable satellite phone

Manufacturer: Motorola

7.6 inches by 2.4 inches (19.3 cm x 6.0 cm) and 2.7 inches deep

One pound (0.45 kg) Standard battery life:

Two hours of continuous

talk time; 16 hours of standby time

\$3,400 per phone; \$69 per month service charge; \$2 to \$7 per minute

pay \$69 a month service charge and \$2 to \$7 per minute, depending on where you are calling. A page-only version costs \$695, plus \$39 monthly if you buy it with a phone, or \$199 a month separately. Four dealers in the United States sell Iridium phones and pagers (check

www.iridium.com). The phone has features that are comparable to typical digital phones: On a single battery charge, you get about two hours of talk time and 16 hours of standby time (five and a half hours of talk time and 48 hours of standby with the highest-capacity battery). It has memory for frequently dialed numbers

and voice mail. All told, my brief experience with the Iridium phone left me optimistic about its potential for grabbing a sizable part of the market for well-financed global travelers. But my time with the phone was hardly extensive enough to judge its full potential — or limitations. The only complete way to review an Iridium

phone would be to take it around the

world, judging not only its reliability, but also practical things like whether you get stopped by some customs of-ficial who is not aware such phones are allowed (Mr. Staiano said that's still a big issue). Or whether the billing system works, and how much you get charged. when you cross from one country into

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TEEM

Iridium's annin problem for now is getting enough phones built to satisfy demand. Mr. Staiano is backing away from an earlier projection to have 40,000 phones in use by year's end. Motorola Inc., which is making Iridium phones, is shipping 800 a day, but Iridium is still having problems working out software issues with phones made by its Japanese maker, Kyocera Corp. Company officials say someone who orders a Motorola phone now would get it by

Mike Mills, a telecommunications reporter at The Washington Post, can be e

mailed at millsm@washpost.com. . .:

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The Holiday Season Puts Electronic Shopping to a Rigorous Test

New York Times Service

TEW YORK — Perhaps the only thing that could match the hype surrounding the holiday shopping of season is the hype surrounding the Internet. Starting this week consumers get both. At the same time. For a

Internet retailers have gathered enough momentum to officially join the mainstream holiday dialogue. Not only do they have the marketing dollars to get into consumers' living rooms during prime time, they've also wrangled their way

into just about every other traditional advertising milien. The message, it is easier, more economical and just as safe to shop on the Internet as at the local mall. The reality: In some cases, that's true, but there are still many hundles

remaining before on-line shopping puts mall developers out of business. The Internet shopping

buzz started mouths ago, of course, with most analysis predicting a banner holiday eason for on-line retailers. The New York-based Internet market research company Jupiter Communications forecasts \$2.8 billion in on-line buying during the holiday season (including travel purchases), compared to \$1.1 billion during the same priod last year:

Still, these numbers pale in comparison to the \$173 billion that Deloitte & Touche predicts Americans will spend overall this holiday season. That is because most people are not on-line. In addition, many Internet users are either wary of electronic transactions or frustrated by the poor performance of many electronic-

Therein lies the opportunity for Internet retailers. And this while eGift.com, a gift site that opened this month, will soon

to try shopping on-line.

"The hardest part is getting people to make that first purchase," said Wendy Brown, vice president for electronic commerce at America Online Inc. "So everything we're doing right now is geared toward making that first purchase

AOL offers its members one-stop shopping through the service's shopping channel, which hosts more than 100 merchants in an environment designed for hand-holding.

Analysts say electronic retailers need to go the extra mile to compete with traditional stores. "On-line merchants are increasingly offering features that bring value to customers—things that catalogues and brick-and-mortar retailers don't have the ability to do," said Kendencasar, digital commerce analyst for Inputer Communications.

For one, Mr. Cassar said, they're getting better at helping consumers find what they want, "which is particularly important now, because holiday shoppers typically don't

looking for when they Accordingly, both the major portal sites and dedicated gift

sites such 911Gifts.com now offer gift-matching services, whereby users can select characteristics of the recipient, specify a dollar range, then receive via email a list of sugges-

Some sites take that service one step further, with one-onone interactions with salespeople. Clinique allows custom-

ers to e-mail cosmetics specialists with their questions, year, they are pulling out all the stops to persuade consumers have a team of customer service representatives who will

engage in live chats with customers who need help finding

Shopping sites have also added some logic to how they present their merchandise. Rather than endless lists of sites and stores, they aggregate items into specific categories: Gifts for Him. Gifts for Her. Gifts under \$25. Quick Gifts. "That's a fundamental change for us," said Jeffrey Mallen,

chief operating of-ficer for Yahoo! Inc. The more technically advanced sites

have also added the ability to handle onestop checkouts, for consumers who buy several items but want to pay with one credit card, through one transaction, and ship to multiple addresses. "Out of all the new features, that one's the slam dunk for us," said Michael

McCadden, executive vice president for marketing at Gap

Another common strategy to lure holiday shoppers on-line is, of course, discount pricing. Some sites are offering deals to consumers who shop early this season, but as with off-line retailing, it's likely that these "for a limited time only" offers will be renewed, or replaced by other specials.

Not surprisingly, on-line retailers have also increased their off-line advertising efforts to encourage consumers to shop on-line. Traditional retailers, such as Gap or Lands' End Inc., now routinely include the address of their Web site in

broadcast and print campaigns. Meanwhile, those Internet companies with deep pockets — or deep-pocketed partners — are embracing off-line promotions of their own. FragranceCounter, a Web-based perfume retailer, is about to start a \$1 million national radio advertising campaign, while eToys, an on-line toy site, got a boost for its own holiday effort by "being chosen as the poster child for the Visa campaign," said Phillip Polishook,

اعكنامن الأعن

vice president for marketing at eToys.

Despite all the hoopla, some industry observers are offering a "be careful what you wish for" caution if sales prove as strong as analysts predict.

Because most electronic-commerce sites lack the technology to track their inventory on a real-time basis, some shoppers could unwittingly pay for goods that are, in fact, out

People who have raised a lot of money to become on-line dominators may see that they've overstepped," said Arno Harris, vice president of marketing for 911 Gifts.com. "They can overcommit to customers without having inventory, they can over-order inventory and end up sitting on a half-million dollars in wreaths," he said, adding, "Those folks will blow relationships with customers by doing a bad job with their

How real a possibility is it that on-line customers can get burned? "It's a very real possibility," said Maria LaTour Kadison, senior on-line retail analyst with Forrester Research, a market research firm in Cambridge, Massachusetts. There are going to be a lot of surprises with gifts that don't show up until Dec. 28."

That's a situation other retailers will be watching closely, said Donna lucolano, chair of the statistics committee of

Shop.org, an on-line retailer trade group. 'If a shopper goes to one site and has a bad experience, it might turn them off to the idea of on-line shopping in general," she said.

Even if some sites fail to deliver, the damage to the on-line retail industry probably will not be permanent. But if the holiday shopping season fails to live up to its billing in what is expected to be a breakthrough year, watch for the finger-

SITES

Some Internet locations for gift-shopping are at: shopping.vahoo.com cybershop.com eGift.com

หพพ.911Gifts.com

www.etoys.com/exec/search

Teenagers Chart an On-Line Country

Global Project Draws on MIT Computer Power and Magnate's Millions

By Carey Goldberg New York Times Service

AMBRIDGE, Massachusetts -Never has the good old Model United Nations, popular for so long among the earnest high school set, seemed so pallid, so retro, so (to be read with teenage disdain) 20th century.

Last week, 100 youngsters from 10 to 16 years old from around the world attended a global forum at the Media Laboratory at the Massachusetts Institute of Technology. The forum, called the Junior Summit, is to the quaint old mock UN what a personal computer is

Connected on-line for menths before they arrived for the forum, equipped with pagers with c-mail functions and Power Point presentation skills, the participants did not jabber about treaties

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Technology stock indexes around the world:

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Source: Morgan Stanley, Bloomberg News

and points of order. They simply plotted to change the world, using technology. They planned to create an on-line

country, to be known as Nation 1, where anyone under 19 could automatically become a citizen. Adults would need a visa or special permission to enter.

They hashed out the idea for Kidz

Bank, an on-line bank for children's savings that could lend money for worthwhile projects, and how to develop a digital currency. And they foun-ded an on-line global newspaper for

They did not shoot low! "By the year 2000; our global netpeople," Steven James Sutton, a 15 year-old from New Zealand, aunounced in ringing Churchillian tones Friday as be rehearsed for a presentation before a gathering of diplomats, World Bank of-

year to date

+38.65

+50.60

+45.24

-1.51

ficials, corporate sponsors and assorted dignitaries. "We will have a network of school groups all across the world," he declared. "We will have international events. We will have everyone planting trees on Earth Day."

Adults tempted to shake their heads in amusement and joke about the days when 30 years of age was the cutoff point for people who could be trusted, instead of 19, might do well to note: These children are backed by almost unlimited computer power from MIT, as well as millions of dollars from a

Japanese magnates 12 15 12 Isan Okawa, chairman of both CSK and Soga Enterprises Ltd., the gamemaker, has agreed to contribute \$27 million to build a "Center for Future Children" next door to the current Me

dia Lab building. The donation, MIT said, is one of the largest the university has received and is believed to be the biggest ever made by a Japanese individual to a foreign in-

TMEANS a major expansion for the Media Lab, already known for its L success in winning corporate spon-

The lab's projects tend to focus on the intersection between technology and people, and they range from wearable

In 1995, Mr. Okawa was attending a meeting of the Group of Seven industrialized countries when it struck him that, although children have the biggest stake in the future, they have almost no say in determining it, said Mitchel Res-nick, the Media Lab professor who is overseeing development of the center's programs.

The center will try "to rethink how children live, learn and play," Mr. Res-

He added: "We want to rethink technology to make it worthy of children of the future. The kids you see here today could do so much more technologically if we gave them the right tools." And with those tools, the thinking

Clandia Urrea of the Media Lab at the Massachusetts Institute of Technology helping Amir Noar, 15, with a project at the Junior Summit.

es, childhood itself would change, as children became ever more able to take on new roles - for example, becoming founders of banks and newspapers -

"I don't know whether it's a pipe dream or not, but I think we're going to do this," said John Perry Barlow, cofounder of the Electronic Frontier Foundation, which advocates freedom on the Internet, and adviser to the group of youths working on the National project. Tve never started a nation before, es-

pecially in three days." But the children have begun to show, he said, "how they can start assembling,

marshaling and deploying resources in a way that I think will scare the hell out of

Actually, most of the youngsters' plans would gladden adults' hearts: reducing child labor, improving the environment, helping disabled children and simplifying computing. Now, will adults listen?

"There will be those who say, That's cute, nice to hear your voice, and go back to what they're doing," said Terah DeJong, 15, of India. But some at the global forum formed fast friendships, he said, "and we expect to continue on for

BRIEFLY

HIGH-TECH HAUSFRAUEN: Two big German food retailers are getting on the Internet to sell groceries.

Spar Handels AG, Germany's fifthlargest food retailer by sales, said it bought 50 percent of the distribution company Einkauf 24 GmbH so it could sell groceries over the Internet and by fax and phone, while Kaufhof Warenhaus AG, which operates Metro AG's department stores in Germany, plans Internet sales with a delivery service for 18 of its stores.

Spar's new service is so far restricted to the Hamburg area where Spar's headquarters are located, and Kaufhof's is available only at its Cologne store as a pilot project.

Responses from customers "have so far more than fulfilled our expectations," said Georg Thaler, head of innovation management at Kaufhof. 'Solving the logistical problems was the biggest challenge for us.' (Bloomberg)

WHEN THE CHIPS ARE DOWN: The Scottish government and the University of Edinburgh plan to build a

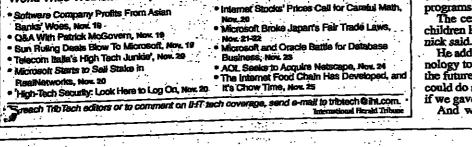
\$10.5 million research center to foster the development of the semiconductor industry in Scotland. The project will provide start-up companies with tools and research and

design facilities, the partners said, and the center will be fully operational by the spring of 2000.

The Scottish government and the University of Edinburgh are investing in the center in expectation of a rebound in the semiconductor industry, which has seen prices collapse this year because of overcapacity and a flood of cheap chip imports from Asia.

Scotland's \$2.5 billion semiconductor industry has also felt the impact of the collarse. Seagate Technology Inc., the world's largest maker of computer disc drives, said last month it would close its chip plant in Scotland, and National Semiconductor Corp. plans to close part of its Scottish plant. (Bloomherg)

BT BUYS INTO EXCITE: British Telecommunications PLC is spending \$10 million to buy a 50 percent stake in Excite UK, a unit of U.S. Internet search engine Excite Inc.



TECHNOLOGY INDEX

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For technology articles from the past week, see TribTech on the IHT's

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Let's build a smarter world



Too Many Nukes

The Cold War record demonstrates the worth of hand-in-hand arms control, with Moscow and Washington proceeding by negotiation, reducing nuclear risks and costs in tandem, and verifying the results in mutual confidence. The post-Cold War record, however, is producing disenchantment. Both sides find themselves armed with more weapons than they believe their security warrants, more nuclear capability than they can comfortably pay for, and, in Russia's case, more than it can confidently keep operative and safe. Traditional arms control is losing its relevance to both countries' national needs.

In Russia the scene is alarming. The Nunn-Lugar program to dismantle old Soviet weapons is working, although it is painfully underfunded. But the remaining heavy multiple-warhead, land-based missiles are rusting out. Not only are maintenance funds short. Funds are lacking to build the more stable single-warhead missiles meant to replace the heavies once Moscow joins Washington in ratifying START-2. The Duma has held back from ratification of this agreement, which would take warheads down by half from the current 6,000 level. Only now is the Duma moving toward early ratification on the basis that START-2 offers Moscow its best chance to reduce American forces to a level that Russia can afford to match.

In the United States, Republican-legislated restrictions on unilateral arms reductions compel the Pentagon to buy a mix of nuclear weapons that it finds ill suited to changing strategic conditions and that prevent it from buying the

overall mix of weapons it wants.

There are other ways in which U.S. forces need to be reviewed. For one, the Pentagon has been slow to adjust to post-Soviet strategic conditions by taking nuclear weapons off a Cold War hair trigger. For another, strategists remain cool to taking a fresh look at their longtime refusal to pledge not to use nuclear weapons first. The U.S. attitude made sense when the Soviets prepared a huge tank attack on Western Europe. But now the stress on the continuing utility of nuclear weapons may just weaken Washington's effort to keep other countries from going nuclear.

Now economic pressures are forcing the pace of decision-making, NATO's meeting next spring to prepare a "new strategic concept" will draw these is-sues into the public dialogue. The United States has to be sensitive to Russian requirements of defense and pride, but it cannot mortgage its policy to the turgid style and nationalist bent of Kremlin politics. The United States also must listen closely to its European allies - not to be bound by them, but to see how European and American concerns can be joined.

- THE WASHINGTON POST.

Reversal in Slovakia

Recent parliamentary elections in Slovakia have freed the country from the heavy boot of Vladimir Meciar, its dominant figure since the end of communism. He engineered the breakup of Czechoslovakia, turned Slovakia's institutions into his political machine and allowed his friends to loot the treasury. The coalition of parties that defeated him has made a promising start, but it will need sustained unity and help from the West to solve the many problems

that Mr. Meciar left behind. Although Mr. Meciar is skilled at blaming others — Gypsies, the Hun-garian minority, the Czech Republic — for his failures, voters got wise. A getout-the-vote drive by the opposition resulted in 85 percent turnout and a defeat for Mr. Meciar's nationalist party.

The new government is a coalition of rightist parties, former Communists and Hungarians, but it quickly agreed on a program that emphasizes economic reform. The center-right prime minister, Mikulas Dzurinda, and his partners also agree that Slovakia must look toward Europe, rather than Russia and Ukraine as Mr. Meciar had.

tems are bankrupt and its banks are Slovakia's daunting problems. teetering. The treasury is empty, in part

because many of the state's factories were sold at fire-sale prices to Mr. Meciar's party colleagues, which also

kept foreign investment out. The harm he did to Slovakia's political culture was just as great. He routinely ignored constitutional court decisions and made the state intelligence agents into his political thugs. The new government has restored a respected former director to the intelligence service and plans to establish some oversight. On Tuesday, Mr. Dzurinda met with his Czech counterpart and pledged closer ties, revers-ing Mr. Meciar's policy of hostility. The government is also promising to end harassment of the media, unions and nongovernmental groups. It has already created the post of deputy prime minister for minorities and human rights and appointed an ethnic Hungarian, a positive sign.

The idea of compromise suffocated in Slovakia under communism and then under Mr. Meciar. The new government could easily unravel in partisan bickering. It will take pressure from European institutions and the Slovaks them-

—THE NEW YORK TIMES.

Liberating Private Sex

from the privacy of his apartment in Atlanta one day 16 years ago, he was stunned to see a policeman standing in the door. "What are you doing in my bedroom?" he asked. It is a question that took on a special bitterness for gay men and lesbians after the U.S. Supreme Court in 1986 upheld the Georgia law against sodomy under which Mr. Hardwick was arrested that day. The law was 170 years old. It prohibited oral and anal sex by anyone. homosexual or heterosexual, and like all such laws in the United States it was modeled on old English law, which was shaped by religious teachings.

In his argument to the Supreme Court, Georgia Attorney General Michael Bowers attacked homosexual sodomy as "anathema to the basic units of our society - marriage and the family." Five justices bought the argument, upholding the law in a decision that removed any claim homosexuals had to privacy or to protection from government intrusion in their bedrooms. To decide otherwise, Chief Justice Warren Burger said, would "cast aside mil-

lennia of moral teaching." But the critical constitutional question, Mr. Hardwick's lawyer later wrote, "was not what Michael Hardwick was doing in his bedroom, but rather what the state of Georgia was doing there." On Monday, ruling in another case, the Georgia Supreme Court agreed, and struck down the law. This case arose from heterosexual acts between a man and woman, but the court made clear that Georgia's constitution guarantees rights of privacy that make no distinction between ho-mosexuals and heterosexuals. "We cannot think of any other activity that reasonable persons would rank as more private and more deserving of protection from governmental interference than consensual, private, adult

sexual activity," it said.

The Georgia decision follows one by a city circuit judge in Baltimore last month who held that Maryland law could not discriminate by making sodomy illegal for homosexuals and not for heterosexuals. In Rhode Island, the legislature voted to repeal its anti-sodomy law earlier this year. One way or the other, in almost two-thirds of the states outdated legal restrictions on private sex have fallen away. The remaining holdouts should drop the last traces of this assault on privacy.

— THE NEW YORK TIMES

Other Comment Clinton vs. the Sex Haters

Did Bill Clinton ever reckon with the fact that someday he'd get caught flat out? I'll bet he prepared himself. He doesn't look shamefaced or awkward at all. He knows his generation, after all - and who among them hasn't had a sexual secret? Plus, he has this bedrock of women supporting him. And he has the right opponents - the religious right, the sex haters.

- Michael Wolff, writing in New York magazine.

Herald MERNATIONAL Eribune

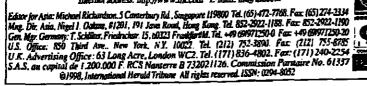
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Visits Back and Forth in a Lively Northeast Asia

HONG KONG — Northeast Asia has been witnessing a feverish round of summits. What conclusions can be drawn about the geopolitics of the region from this activity: Bill Clinton in Japan, finally, and South Korea, Jiang Zemin in Moscow and now in Tokyo, Keizo Obuchi in Moscow, and Kim Dae Jung in Tokyo last month and recently in Beijing?

The most obvious conclusion is that it underlines the supremacy of the United States and China in regional affairs, the weakness of Japan, and the marginalization of a tottering Russia.

Japan appears about to apologize officially to China for the sufferings it inflicted 60-odd years ago, ready to offer more aid for developing China's impoverished inland provinces, and about to be berated for stubbornness over Taiwan. What will it get in return?

China has nought to offer.

President Clinton has offered up kind words and his usual crowd-winning ways to Japanese sensitivities. But his visit to an ally was a very low-key affair compared with his China trip a few months back. The Clinton message to Japan was the same in substance as China's hectoring: Your economy is

Asia's main problem, so fix it.

President Kim on the other hand could bask in U.S. praise for economic reforms. He himself had, only a few days previously, rolled out the standard congratulatory phrases to Beijing for its supposed role in helping its neighbors through commitment to maintaining its dollar exchange rate. He could also share real historical grievances against Japan with his hosts. And the North Korean ogre popped up at a convenient moment to be a reminder to Seoul and the region that they rely on the United States and China, not Japan, to keep him in his box.

President Jiang has been able to relax in Moscow, practice his Russian, remember with a sense of Chinese pride his old times in Moscow when Russia was leader, not led, and Stalin treated Mao like a servant. Postimperial, post-Communist Russia will now sell almost any arms China thinks worth buying, its Pacific fleet is scant threat to anyone, and Kazakhstan plays Russia off China for its own purposes. The claimed Mos-cow-Beijing "strategic partnership" is mere rhetoric, but minor border issues have been settled and the big ones can wait, perhaps until Chinese migration has created new facts.

By Philip Bowring

Mr. Jiang can even relax about prospects of Russian-Japanese rapprochement. Yes, there has been some improvement in relations, but there is unlikely to be an end soon to the Kuril Islands dispute. On the global stage, Japan's hopes of becoming a permanent Security Council member are sty-

mied, not least by China's opposition. So the Jiang and Clinton visits seem to underscore Japanese and Russian weakness while increasing South Korea's room for maneuver.

But perhaps it is not so simple. First, President Kim's visit to Japan was historically more significant than any of the other recent summits. That trip and Japan's apology were a linge step, pre-dictably condemned by Pyongyang, in healing old wounds. They removed some major obstacles to Korean-Japanese trade and investment. The two are trading as well as historic rivals, but are international commercial interests. That sets them apart from China,

which at one level is a continental

Seoul may feel close cultural links to China, and know that it needs Beijing's help over Pyongyang. But it has no more interest than anyone else in the region seeing China assert sovereignty over neighboring seas. So Korean ties with Russia, developed during the Gorbachev era, are not being allowed to decay, despite Russian maybem. Last month their warships held joint exercises.

Japan's apologies release it from hisbe a plus for Japan. The more "normal" it can become, the more likely it is that it will approach regional politics from an active standpoint. What specifically that will mean in terms of armaments and strategic alliances will

emerge in due course. There are the beginnings of a different attitude in Japan toward Russia, which should in time make it possible finally to agree on a peace treaty without solving all the island issues. Meanwhile, Japan's negative view

power but at another depends heavily on foreigners to upgrade its economy.

Seoul may feel close cultural links to tory. Japan has funneled billions of dollars of public and private money into China and seen negligible financial or political return. Japanese are beginning to figure that China needs Japan's capital and technology more: than Japan needs a China market.

Nor does Tokyo take kindly to the U.S. assumption that it should follow Mr. Clinton and sign on to Beijing's torical baggage. So whatever form of three no's aimed at Taiwan. The pres-regretful words is finally agreed on sure has awakened Japanese sympathies during Mr. Jiang's Tokyo visit must for a well-governed former colony, and for a well-governed former colony, and awareness of its strategic importance. Assumptions that Japan's economic

difficulties and revolving door politics are endemic are likely to prove as unfounded as former beliefs in its com-mercial invincibility. Previous inflated views of Japan are now mirrored by belief in the superiority of a deeply indebted America, or impressions of Chinese health that owe much to bogus growth statistics. Mr. Jiang should enjoy his stature while he can. International Herald Tribune.

Yes, Keep Insisting on Democracy for Asians, the Chinese Included

NEW YORK — U.S. Vice President Al Gore was widely chastised last week for criticizing the Malaysian government at an economic meeting in Kuala Lumpur. Yet no one has challenged the accuracy of his assertion that freedom and democracy are the "best guarantee of prosperity in the future."
Nor have critics taken issue with his contention that "democracy confers a stamp of legitimacy that reforms must

have in order to be effective.' For proof of the vital connection between democracy and economic progress, consider the fates of countries that were formerly under Communist rule. The most democratic of them, such as Poland and Hungary, are the wealthiest, while the most repressive, such as Turkmenistan and Uzbekistan,

are the poorest. Vice President Gore was right to be undiplomatic. Some leaders present in Kuala Lumpur deserved the reminder because they had pontificated about "Asian values," a doctrine which makes allowances for certain societies because they are said to thrive under autocratic rule

Mr. Gore hardly broke with preced-

By Bette Bao Lord

ent in violating the etiquette of diplomatic courtesy. President Ronald Reagan frequently attacked the Soviet Union. On a visit to Moscow in 1987, he lectured students on the superiority of America's free institutions and was the host of a reception for dissidents. Those actions irked Soviet officials, but did not impede progress toward improving

ties between the two superpowers. President Reagan's departure from traditional diplomacy took place within the context of a consistent policy. which was to seek freedom for those living under communism, and the ul-timate abandonment of the Communist system itself.

Similarly, the importance of Mr. Gore's remarks will be determined by whether the Clipton administration integrates democracy-building incentives into its foreign policy and whether the Republican opposition supports the

The United States has made free market reforms a condition for aid to foreign countries. Now it must send a York Times.

similar message about the positive role of democracy. But that message must be consistent. It must apply to China, for one, as well as to Malaysia.

The message need not be curt or confrontational. It should stress the self-interest of foreign countries as well as American principles.
Some say that Mr. Gore might cause

a backlash against the democration movement in Malaysia, thus undermin ing reform. History shows otherwise. Two prominent former dissidents, Wei Fingsheng and Yelena Bonner, have told me they were disheartened when visiting American statesmen helped local autocrats to save face - precisely what Mr. Gore chose not to do.

The United States has many instruments through which to express support for freedom's advocates — radio proadcasts and various forms of public diplomacy. But occasional candor by American leaders can be effective, too.

contributed this comment to The New

If Pinochet Now Ends Up in the Dock, So May America:

By William Pfaff

PARIS - Now that the Law Lords in London have ruled that Augusto Pinochet does not benefit from immunity, the way has been opened for him to be handed over to Spanish courts for judgment on charg crimes against humanity. The United States is going to find itself in the dock alongside the Chilean ex-dictator.

American reports have dealt chiefly with the Pinochet gov-ernment's murder in Washington in 1976 of a former official of the Allende government, which General Pinochet overthrew in 1973. Orlando Letellier and a young American woman, Ronni Moffitt, were blown up by a car bomb planted by Chilean agents.

The then head of the Chilean secret service has always denied that his agency was implicated in the crime.

But the FBI agents in charge of the investigation testified that "it is inconceivable that the murder of Letellier could have been decided without the express authorization of the commander in chief," General

dictator intervened to conceal the role of his secret police, and to block the American government's investigation.

This was a case of a phenomenon familiar in power politics and covert action, the ungrateful or treacherous protégé. General Pinochet was not installed in power as a direct result of American intervention in Chile, but his military coup was made possible by CIA operations three years earlier, which cleared the way for him.

In power, he was lauded by Washington for his restoration of order and remake of the Chilean economy on terms proposed by the "Chicago Boys," orthodox monetarists of the University of Chicago school. He was certainly not expected to pursue his vendettas in Washington, murdering an American while doing so.

However, the beneficiaries nochet. of American patronage, once Another Chilean officer in-they are propelled into high ofvolved in the affair has said the fice, have often chafed at the restraints that such a relation ship is expected to impose.

Washington's special atten-tion to Chile began in the 1960s, under John Kennedy, when Chile became a showcase for U.S.-aided democracy, meant to contrast with what happened in Soviet-assisted Cuba.

A large amount of money was devoted to this, much secretly, The U.S.-aided Christian Democrats defeated the Socialist Party of Salvador Allende in both 1958 and 1964, providing liberal and land-reforming gov-

In 1969, however, Mr. Allende was back as a presidential candidate, promising more

drastic reform. As his campaign seemed to be succeeding, the alarm felt in Washington was felicitously expressed by Henry Kissinger: "I don't see why we need to stand ility of its own people."

ency was decidedly whose as unenthusiastic about the job it million on a program to disrupt: was being asked to do - jotted down as: "Not concerned risks involved ... \$10,000,000 available, more if necessary ... make economy scream ...

The effort proved in vain. Mr. Allende was elected in 1970, and confirmed by the Chilean Congress.

The CIA had meanwhile sounded out the possibilities of a military coup; but the Chilean army seemed unresponsive. Its commander, Generai René Schneider, was a democrat and firm defender of

constitutional order. He had to be got out of the way. The CIA incited an attempt by right-wing officers to kidnap him, promising a substantial reward if they succeeded. General Schneider resisted, and was killed, although that was not the

CIA's intention. William Bundy has this to say in his new history of U.S. foreign policy under Richard Nixon and Henry Kissinger, "A Tangled Web":

"In legal terms, a U.S. judicial proceeding would surely have concluded that U.S. agents (acting on presidential authority) had been at least accessories before the fact and co-conspirators in the kidnapping, and thus in the killing that resulted from it."

General Schneider's death removed a crucial obstacle to General Pinochet's successful comp three years later, to which there

by and watch a country go Com- is no evidence that the United munist due to the irresponsib. States was party. The American. lity of its own people."

Richard Nixon gave orders to the meanlitue done its best to "save" Chile, orders which undermine the Allende govern-CIA chief Richard Helms ment; imposing economic sanc-tions and spending more than \$83

> the Chilesa economy General Pinochet in power.? ordered measures of political ress pression and organization of regional repression, including the torture and murder of foreigns nationals. It is this for which? Spain, Switzerland, France and other European countries wish' to bring him to trial today, ap-1 plying a new doctrine which? holds that universal jurisdiction. exists where crimes against hu

manity are concerned. If General Pinochet is guilty? of such crimes, what is the guilt of the United States?

The hostility of the Clinton? administration in Rome last's summer to the decision by 133 nations to establish a permanent war crimes tribunal was due chiefly to the instinctive nos tility of the Pentagon to any! possibility of foreign sanctions. The combination of that episode with the charges now brought against General Pinochet leaves the United States in a position

hard to defend. International Herald Tribune. Los Angeles Times Syndicate.

Letters intended for publi-cation should be addressed "Letters to the Editor" and contain the writer's signature, should be brief and are subject to editing. We cannot be responsible for the return of unsolicited ma

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: More Sleep! PARIS - [The Herald says in

an Editorial: 1 The leaders of so-ciety in the "Quaker City" have come to the conclusion that they require more sleep and a movement is on foot to mangurate earlier hours for stopping dances. The idea is to commence balls and dances there at nine o'clock instead of eleven, so that the girls will retain their fresh complexions. No. Philadelphia! the only way to get more sleep is to not go to dances at all. Philadelphians should have the courage of their convictions and as soon as the day's work is over, go home to bed.

1923: Women Voters?

sake!" exclaimed Signor Miss- parades are less hoisterons that solini when the Woman Suf- they used to be before a police cluding his wife among their number, "she is my wife, the

mother of my children; that is enough." The Bill granting the vote to "certain categories" of women finds little enthusiasm among representative womenhere. Donna Brice far-famed as, a woman of culture and accomplishment travestied Mrs. Chap? man Catt, saying: "The vote for women? I would say rather." No.

1948: Young Spinsters: PARIS — Yesterday [Nov. 25]

was a holiday for the unmarried girls, who paid homage with the accompaniment of festivities to their patron saint, Catherine of Alexandria. Guests of honor and the Cathermettes, girls who, have reached the age of twentyfive without finding a husband. ROME — "For Heaven's The Catherinettes" public. solini when the Woman Sufthey used to be before a police
frage Committee proposed inclading his wife among their of kassing unattached males. they met in the streets.

MICHAEL GETLER, Executive Editor

■ IONATHAN GAGE, Business and Funance Editor • SAMUEL ABT, Associate Editor

International Herald Tribune, 181 Avenue Charles-de-Garde, 92521 Neurilly-sur-Seine, France.

The writer is president of Costa Rica. S AN JOSE, Costa Rica — bean basin, acting as a catalyst for exports, investments and employment creation in the

ricane Mitch, we will need the help of our friends in the United States to restore our capacity for economic growth. We will have to atkets in the world for U.S. products. Each of the nations tract private capital to enable us to create new means of production and opportunities for empioyment.

We in Costa Rica have been able to attract investment from the United States in cost-effective production facilities that assist U.S. companies to compete in the global market. largest export market from the United States, surpassing The Costa Rican model can be a guide for rebuilding the economies of our neighbors. countries such as France.

By Miguel Angel Rodríguez

The competition for private investment capital is global and intense, especially now in the wake of losses suffered by U.S. investors in some of the emerging markets. We in Central America also suffer from not being a part of the North American Free Trade Agreement, which has superseded our existing trade relationship with the United States under the Caribbean Basin Initiative. The initiative, established

by President Ronald Reagan

with strong bipartisan sup-

port, has been responsible for

a decade of imparalleled growth in trade between the

United States and the Carib-

United States as well as in nations of the region. The Caribbean basin has become one of the best mar-

Needed: Investment After Mitch

imports an average of 75 percent of its goods and services from the United States. Today the United States exports more to Central America than to the former Soviet bloc nations combined. Basin nations now represent the 10th

The Caribbean basin is also the area of the world in which U.S. exports have grown most rapidly in recent years. The increase in purchases by Caribbean basin nations from the initiation of the initiative in 1983 to 1990 helped to create nearly 200,000 trade-related jobs in the United States. The initiative proved that trade, not aid, is the key to economic development and political sta-

bility in the region. President Bill Clinton has recognized that the strength of our economies and democratic governance is the best defense of the United States against trafficking in illegal

narcotics and a flood of illegal immigration. Also, improvi economic opportunity will alleviate the need for impoverished rural residents to rayage the environment in pursuit basic food needs. Recognizing that the Carib-bean Basin Initiative had been

undermined by NAFTA, President Clinton promised restoration of parity of access to the U.S. market for Cambbean basin nations at the Miami summit in 1995 and at a Central American regional summit in 1997. But the legislation has been caught up in the fight with Congress over the granting of "fast track" authority to the president to expand NAFTA.

We now ask the president to advance the enactment of legislation to provide Caribbean parity as a necessary part of a program of recovery of our region, so that we may have alevel playing field on which to compete for outside capital We would even want Pres-

ident Clinton and our friends in Congress to go further and contemplate entering into a free trade agreement among the United States, Central America, the Dominican Republic and other afflicted nations of the Caribbean so that we may become full partners with the United States in building the economic forere of the region.

The Washington Post.

Human Rights' Ongoing Journey From Hopeful Rhetoric to Reality

By David A. Martin

WASHINGTON — The Universal Declaration of Human Rights will be 50 years old next month. Its 30 articles set forth an impressive and diverse catalogue of rights, ranging from equality before the law through freedom from torture and the night to a fair trial to economic rights. Events around the world will celebrate its adoption by the United Nations General As-

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sembly on Dec. 10, 1948 But the declaration was not the first document to specify rights, nor is it the most elegant the importantly, a UN decreasion is neither a treaty nor a time bill of rights. It lacks binding legal force. It establishes no police force to compel compliince and no courts to try cases. As a result, the declaration has provided the occasion for some of the rankest hypocrisy eyer heard in the halls of the linited Nations. Many diploats who supported its adop-54 34 34 tion or later praised its provisions spoke for governments guilty of terrible abuses.

At the time of its adoption, many staunch supporters of hu-man rights asked the same question. Some even saw the declaration as a setback, a reneat from the high hopes for human rights protection that wished after World War II kemember the historical context. President Franklin D. Roosevelt had stirred those hopes in 1941 when he declared America's aims in supporting the victims of Hitler's ggression. Roosevelt spoke of the Four Freedoms: freedom of eech, freedom of worship, eedom from want, freedom from fear.: Victory in Europe vealed the full scope of Nazi airocities and deepened the mmitment many felt to glob-

al efforts for the protection of constantly looked to,

human rights.
Some smaller nations even talked of incorporating a com- perfectly attained, conprehensive bill of rights into the proposed UN charter.

The charter adopted in April 1945, however, contained only ing its influence and general references to "human augmenting the happinghts and fundamental free ness and value of life to doms." Anticipating criticism, people of all colors some leaders promised that the first business of the new UN Commission on Human Rights circumstances of 1948. But the Harry Truman put-it, "an in-ternational bill of rights, acceptable to all the nations involved." Human rights advocates heard that promise as a

pledge to develop a new treaty with binding legal obligations. When the commission's first labors produced only a declaration, concern mounted. True, it was accepted manimously by the General Assembly, although the Soviet bloc countries, Saudi Arabia and South Africa abstained. But that did not ease the disappointment in some quarters.

Sir Hersch Lauterpacht, a renowned Cambridge profes-sor and later judge of the International Court of Justice, remarked acidly that the declaration "has proved acceptable to all for the reason that it imposes obligations upon none.'

Why, then, bonor such a document? An answer may be found in the words of one esteemed American observer, who said that the framers "meant. should permit." They meant "to set up a standard maxim for free society, which should be famil-

constantly labored for, and even though never stantly approximated, and thereby constantly spreading and deepeneverywhere.".

The words fit the would be to draft, as President commentator was Abraham Lincoln. He was speaking in .1857 about the American Declaration of Independence, which was then just 80 years old.

a That declaration's human rights provisions likewise enjoyed no direct legal force. But throughout his career, Lincoln used those passages both as personal inspiration and as a political fulcrum in the struggle against slavery. He appreciated the value of a "standard maxim for free society," even if it car-ried no immediate legal force. Lincoln explained: "The as-

sertion that 'all men are created equal' was of no practical use in effecting our separation from Great Britain; and it was placed in the Declaration not for that, but for future use. Its authors meant it to be - as, thank God, it is now proving itself — a stumbling block to all those who in after times might seek to turn a free people back into the

When we celebrate either declaration, then, we celebrate the foresight of its framers. More ambitious legal requirements were not realistically achievable in 1948. The drafters of the Universal Dec-

laration used what agreement

hateful paths of despotism."

ernments would not accept firm obligations girded with effective enforcement, they could at least be maneuvered into subscribing to broad statements

that might help future efforts.

Ironically, the lack of immediate enforcement probably fostered clearer and more demanding norms, for govern-ments then felt no need to burden the standards with intricate exceptions and qualifications. And in succeeding decades, many powerful leaders, apparently fulled by the limited enforcement mechanisms, repeated words of devotion to human rights. Unwittingly, they enhanced the declaration's stature, until it became the chief

nation's internal policies. By the time the declaration turned 30, governments found they could no longer get by with lip service. The Helsinki Final Act - signed in 1975 by Gerald Ford, Leonid Brezhnev and other European leaders may provide the best example.

measuring stick for judging a

Although the act was not a legally binding treaty, the Soviets wanted it as a recognition of the postwar division of Europe. In return, the West secured commitments on several human rights issues, including they could muster to begin a a pledge of fealty to the Unimore patient process. If govversal Declaration by Soviet

bloc leaders - something they had avoided by abstaining in the 1948 UN vote.

That pledge gave legitimacy to the human rights cause cham-pioned — often in the face of bitter persecution — by pion-eers such as Andrei Sakharov. Practitioners of realpolitik scoffed at Helsinki's human rights provisions in 1975, but by 1991 even the Soviet Union was dismantled by governments try-

ing to become democracies. Just as Lincoln did with the Declaration of Independence, human rights advocates have used the Declaration of Human Rights as leverage. They gradually incorporated its key principles into both domestic constitutions and international treaties. Nothing was automatic about this success. It required political savvy and sometimes

enormous sacrifice. And nothing guarantees its survival. But the story of the Universal Declaration is one of how farsighted advocates made use of hypocrisy. It is a bit of cleverness worth celebrating.

The writer, professor of law at the University of Virginia, served in the State Department's human rights bureau from 1978 to 1980. He contributed this comment to The

for a higher standard of living, by all means, but do not lose track of what is

really important.

Giving a Graphic Illustration Of the Right to Die Debate

By Frank Rich

NEW YORK — The day after they broadcast a tape of Dr. Jack Kevorkian killing a terminally ill 52year-old man by lethal injection, Don Hewitt, the executive producer of CBS's "60 Minutes." and Mike Wallace, who reported the story, sat in Mr. Hewitt's office on West 57th Street in Manhattan watching one of their many critics hold forth on television. Howard Kurtz, the Washington Post media critic, was making the point on CNN that had "60 Minutes" not aired

MEANWHILE

the tape, Dr. Kevorkian "simply would not have gotten the same at tention." Though the remark was not meant as a compliment, Mr. Hewitt and Mr. Wallace nodded their heads in approval, taking it as one.

There was no story without the tape," Mr. Wallace said. "You'd have a lot of talking heads, which can be fascinating, but just look at how the whole country has focused on it now. Every radio talk show is

talking about it. The rap on Mr. Hewitt and Mr. Wallace is that they pumped up ratings during the all-important November sweeps with the ultimate sacrilege: death as entertainment. They argue that their perennially top-rated show (it had been No. 8 the week before) has no history of sweeps whoring, and that they were reporting legitimate news, even as they recognized that Dr. Ke-vorkian is, in Mr. Wallace's words, "a publicity seeker" and "a zealor, fanatic, whatever." He added that he had

initially not been keen on the story. "As soon as I heard the word 'Kevorkian,' I thought ---,'' Mr. Wallace said, ending the sentence with a gagging noise. "He's shopworn. I've seen the act before. Why in the world could I possibly be interested?" What

persuaded him was the tape. And I must say the tape persuaded me, too. It is not entertaining like the crime carnage of local news, nor is it terrifying like the Pulitzer Prize photo of the South Vietnamese police commander executing a Vietcong soldier in 1968. It is upsetting, and forces you to stop and think.

It thrust me back to a chilling moment I had had, a moment many people have had, when a doctor quietly asked a leading question about the "quality of life" of a hospitalized loved one

The "60 Minutes" piece presented a man crippled by Lon Gehrig's disease who still had his own waning chance to answer this question himself, and chose death with the approval of his wife and brother — who gave their own testimony to Mr. Wallace.

Courts can and should judge Dr. Kevorkian's role in all this; they must rise to his taunts and determine if he is a criminal manipulator of the terminally ill. But it is not so easy to condemn Thomas Youk, the man who turned to him in desperation, or to dismiss the words of his family. Not if you can imagine yourself or anyone

you love in his or their shoes. In a culture where oral sex has joined graphic violence as routine fare, candor about terminal illness and death is still often taboo.

Though "60 Minutes" has had its debacles, this piece was not one of them. Its sober account of a man's final breath, not the nadir of taste on U.S. television, did provoke Americans into

talking openly about the right to die. "It's going on right now in every hospital in New York," said Mr. Hewitt of assisted suicide and euthanasia,

with only a touch of hyperbole. Whatever is going on, it is often shrouded in whispers and secrecy. Honest debate, which can lead to sensible regulation of managed-death scenarios now exercised covertly, is desperately needed - even if its catalyst is Dr. Kevorkian, yet another one of those American flakes who habitually push the most inflammatory moral questions onto the national

I asked Mr. Wallace, who is 80, if he had any personal thoughts about these questions, should he find himself in the situation of a Thomas

Youk. "Would I want this for myself?
Absolutely," he answered.
"Instead of having some stranger come in and assist me with suicide, I'd like to say to a doctor who was a friend. who knew me, 'Enough -- help me.' Mr. Wallace added that he was not advocating any position in his piece, and I think its straightforward presentation of Dr. Kevorkian's ghoulish selfpromotion bears him out.

If anything, "60 Minutes" may finally speed the trial of Dr. Death for murder, which, whatever the verdict, can only be a spur to a frank, humane and long overdue national conversation about the boundaries of life.

simply to declare the right, so that enforcement of it might follow as fast as circumstances

Beware, Broadening the Definition of Rights Can Make a Wrong RUSSELS — Is the right to take a holiday with pay a human right? Is the right to vaccination a human right?

Or is the right to enjoy the benefits of

scientific progress a human right?
We would prefer to call them praiseworthy economic and social goals, rather than human rights:

Epropean Parliament that there was and

rights on the one hand, and economics social and cultural rights on the other, and that the latter must be emphasized. Of course, there is nothing wrong: with paying more attention to economic and social injustice. The economic and social conditions in many parts of the world are deplorable and certainly need to be improved. What worries us is the underlying idea, which also was expressed by the World Conference on Human Rights in Vienna in 1993, that The right should not be put before the other, that they are all parts of the same

whole and equally important. To us, these rights are not equally important. The right to freedom of expression or the right to life should not be on a par with the right to paid leave, or the right to take part in cultural life.

By calling every kind of social and economic goal a human right we di-minish the relative weight of truly important human rights, and there we inclide the right to freedom of thought, expression of opinion and religion, the

By Berthel Haarder and Charles Goerens

right to freedom of association, the right to life, the right to liberty and security of person. A fair and just legal system is also fundamental.

These fundamental rights are regu-lated in the International Covenant on In Inne, Mary Robinson, the UN ... on, public (holidays," "the right to universally respected. And if it is accommissioner for human rights, fold the week" and others that are listed in the coepted that some human rights simply International Covenant on Economic, inebalance between political and civil. Social and Cultural Rights.

We are aware that both these covengets derive from the United Nations Universal Declaration of Human Rights, which celebrates its 50th birthday this year. The declaration is a product of the Gold War, and its concept of rights was made very broad to please everybody.

We melably have to live with this broad definition of human rights, but the minimals single out political and civil nelts and and much thus, give them extra weight. Fifty years after the adoption of the Universal Declaration much remains to be done. Every day around the world

homan rights are flagrantly violated.
Reserved efforts to promote universal respect for human rights are needed. We should concentrate on those fundamental human rights, and struggle to make them universally respected.

One person's right normally implies someone else's obligation, often the state's. In the case of political and civil rights the duty of the state is not to interfere but to let people express them-

selves freely. There is no financial cost to come, our conclusion is clear. Fight in such an exercise. So there is no reason why people in poorer nations should not enjoy the same political rights as those in rich countries. As regards economic and social

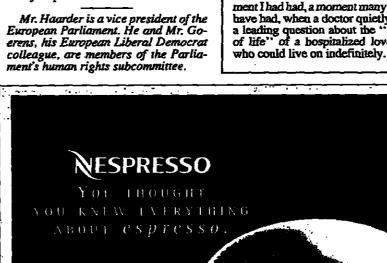
rights, governments can always rightly or wrongly — claim good in-tentions but then blame lack of resources There is a worrying tendency to label These fundamental rights are regular thinks of political goals as "rights." lated in the International Covenant on And by doing that, we risk watering "Civil and Political Rights. And they tend the concept of immensatights and should not be put on equal footing with the political regular to regular to regular to regular to regular to the political regular to regular cannot be respected, it becomes more

difficult to insist that others are. Or leaders with weak democratic inclinations can try to "buy themselves free" and deliver economic and social goodies instead of political rights. They can say "Well, people don't have freedom of opinion, but they have health care," or "People don't have the right to peacefully assemble, but everybody is granted a job."

It is typical that Deputy Prime Min-ister Qian Qichen of China used this excuse at the recent international human rights conference in China. He wanted the world to recognize the increase in living standards achieved in China but also to prevent criticism of Beijing for its restrictions on political freedom.

Human dignity and the importance of justice and fair treatment are no more Western than Asian. Universality does not mean uniformity. The Universal Declaration protects cultural and religious diversity.

So, when taking stock of developments in recent decades and looking to set a human rights agenda for the years



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LETTERS TO THE EDITOR

An Irresponsible Father

Regarding "Whose Fault Was It, Anyway? Father Files Suit Over Unwanted Baby" (Nov. 23): This case is just another pathetic ex-

ample of a person attempting to avoid accepting the consequences of his actions. As stated brilliantly by Kellie Smith's attorney, Mary Han, if the father, Peter Wallis, was so adamant, why didn't he use a condom? Each partner in a sexual relationship has the responsibility of birth control. Since Mr. Wallis considers birth control pills the only "holproof method," perhaps he should Wait for the male version before trying his luck again. CYNTHIA UCCELLO.

"Mr. Wallis's lawsuit against Ms. Smith for becoming pregnant demon-strates just how far the flight from persinal responsibility has developed in America. How much lower can we go? Rather than paying an attorney, Mr. Wallis might consider hiring a prologist to perform a vasectomy, as his suit would seem to indicate he is not ready for the sperifices and privileges of parenthood.

JAMES WILSON.

History of the Bosnian War Regarding "In Bosnia, Calls to Agree on a Common History" by Tina Rosen-

berg (Opinion, Nov. 23):

Ms. Rosenberg's appeal for a multishnic commission to write the history. of the war in Bosnia Herzegovina is 2 good idea whose time has not yet come. Practical and legal questions aside. the creation of a commission at this time

would be harmful to the broader concerns of justice. International efforts to indict and ar-

rest major war criminals are flagging. The creation of a commission would merely provide a handy excuse to governments seeking to elude their international responsibilities to bring Bosnia's war criminals to justice. JAMES D. ROSS.

Amsterdam.

The writer is a human rights lawyer.

Rating Paris Over London Regarding Tokyo Subway: Best

Ride* (Nov. 21): Only a London-based research center could find the London Underground superior to the Paris Métro.

Any British person who has had long-term daily experience of both public transport systems would surely agree that getting from one place to another in Paris is easier, quicker, more convenient and considerably cheaper than in London. NICHOLAS STOREY.

Whose Economic Advisers?

Regarding "Bonn Panel Criticizes

Jobs Plan" (Nov. 19):

I wonder by whom these "independent advisers" were appointed. Could it, by any chance, have been the previous

government of Helmut Kohl? - JOHN ROBERTS. Labastide-Paumes, France

Vincennes, France.

Jews and World War I Regarding "One Diarisi's Germans" by Richard Cohen (Opinion, Nov. 20): Victor Klemperer's service on the front was one of the experiences he shared with other German Jews. Of the 550,000 Jews in Germany in 1914, 100,000 fought in World War L About 12,000 German Jews lost their lives in the war and about 35,000 German Jews were decorated for their service. COLIN MCPHERSON.

Musselburgh, Britain. LAURENCE WEINBAUM

Mr. Cohen asserts that Klemperer's front-line service and Iron Cross account, at least in part, for his having survived the Third Reich. Not so. Not one German Jew was spared deportation to a concentration camp because of his World War I combat record, however distinguished. The only reason Klemperer survived in Hitler's Germany was that his wife was an "Arvan."

FREDERIC S. BURIN. Villars-sur-Ollon, Switzerland.

An Honorable Captain

Regarding "Trying to Save a Tall Ship: Were Lives Lost Worth It?" (Nov.

16):
When the tail ship Fantome went down during the hurricane designated Mitch, Captain Guyan March was not acting as an agent of a greedy shipowner by trying to sail his boat into safer waters. He followed every rule of good seamanship, admiralty law and loyalty by assessing the simution, assuring the safety of his passengers and attempting to save the vessel. It sounds like the captain displayed duty first, but honor above all. MATTHEW E. MORAN.

The writer is executive officer of the S.S.S. Thor Heyerdahl.

Kiel, Germany.

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INTERNATIONAL

ISRAEL: Netanyahu Busy Plugging Holes

Continued from Page 1

the Knesset - until the next crisis."

Mr. Levy, considered a moderate in a predominantly right-wing cabinet before he quit in January, was offered either the post of infrastructure minister of that of would take the infrastructure portfolio.

As a master of political survival, Mr. Netanyahu's tactical skills are unquestioned. But even his aides are starting to acknowledge that the Israeli leader's scramble to save his political skin, and the current configuration of his goverument, looks like a series of stopgaps.

Right-wing and religious factions remain furious with Mr. Netanyahu for making territorial concessions to the Palestinians in the U.S.-brokered deal. February, a compromise that is no less than ideological heresy to stalwarts in Mr. Netanyahu's Likud party.

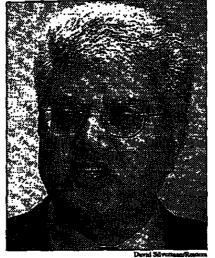
The defections from Mr. Netanyahu's camp within Likud, and among nationalists and religious parties in his conalists and religious parties and religi

servative coalition, have forced him to go looking for allies in the unfamiliar political terrain of the Israeli center-left.

Largely because of the support of the Labor Party, Mr. Netanyahu was able to count on a comfortable majority for the Wye deal last week in the Knesset, Isfinance minister. It appeared that he rael's Parliament in his own cabinet, though, Mr. Netanyahu was only able to muster seven votes out of 17, including his own, to go forward last week with the troop pullback from 200 square miles (520 square kilometers) of the West Bank. Two larger withdrawals scheduled for this winter are likely to encounter at least as much opposition

To key members of the government, there is no longer any choice but to refashion the coalition in a more left-leaning mold. Foreign Minister Ariel Sharon. David Levy, the former foreign The agreement will put Yasser Arafat in a security hawk who has made his own charge of 40 percent of the West Bank by political conversion by supporting and helping draft the Wye deal, told foreign diplomats here Tuesday be wants "as broad a coalition as could be built."

Trade Minister Natan Sharansky and



minister, is set to rejoin the cabinet.

unity government. Publicly, both Labor leaders and Mr. Netanyahu have ruled out any such arrangement. In the style of Israeli politics, each side has expressed

BURMA: UN Offers Aid in Exchange for Political Overtures

Continued from Page 1

World Bank, according to diplomats involved in the negotiations.

One suggestion floated was for a meeting between the UN secretary-general, Kofi Annan, and Burma's military leaders at the summit meeting of the Association of South East Asian Nations next month in Hanoi.

"If the process gets under way, the World Bank will just be the thin end of the wedge," a Rangoon-based diplomat said.

"The private sector will gain confidence and the donor countries, which are looking for just about any sign of change, will jump in to help the deelopment of the country.'

But not even a blank check from the World Bank would break the deadlock in Burma, many observers in Rangoon warned. The country has no culture of political compromise and the military's sole priority is to retain its total grip on power, the observers said.

forced to accept Daw Aung San Sun Kyi's strong influence over the use of funds and her ability to stop them at any time.

The opposition leader, who won a Nobel Peace Prize in 1991 for her democratic struggle against the government, helped inspire the wide range of sanc-tions now imposed on Burma and she alone has the credibility to call for their oosening or removal.

Meanwhile, the government remains wary of foreign involvement in domestic matters and confident of the country's ability to ignore external pressure.

'Did the United Nations ensure stability in Cambodia after injecting billions of dollars? No," said Brigadier General Maung Maung, minister to the office of the ruling council's chairman. "We welcome any unconditional as-sistance you would like to give us, but like Cambodia, we need to solve our problems by ourselves."

One diplomat dismissed the UN initiative as an attempt by Western gov-eruments to "whitewash the dictator-No matter how the plan is structured, ship into something palatable for however, the ruling generals would be domestic consumption."

"You simply can't cross-breed della mocracy and military dictatorabip," the diplomat said. "The generals may take some of the money, but they will never cede power. You must accept this realityand on that basis decide whether to give; aid or not."

Most countries have opted against no giving aid. Development specialists es-24 firmate that Burma could easily attractind more than \$500 million per year from her donor countries, but international con- 309 demnation of human rights abuses by the ! military government has reduced annual 1107 multilateral foreign development assist-1812 ance to less than \$20 million in recent rob

All of this assistance passes through a rog UN program designed to avoid support-mo ing the military government by sending mid aid directly to a select set of small, grass-ion roots projects in different parts of thesail

The UN program would very likely shi serve as a model for funneling initial! World Bank assistance into Burna, not sources involved in the negotiations els

No. of Lot

Dublin Landmark To Get New Look

The Associated Press

DUBLIN - O'Connell Street, the broadest and most historic boulevard in the capital, is to receive a modern monument to replace its former landmark blown up by the Irish Republican Army.

Lord Mayor Joe Doyle announced Wednesday that a 120-meter-high cone of stainless steel would be erected next year at the top of the street overlooking the River Liffey, where a pillar in honor of the British naval hero Lord Nelson had stood for two centuries until 1966.

Mr. Doyle said he hoped the spartan new monument, which will have a base of Kilkenny black marble and be partially lit at night, would become "a familiar and well-loved symbol of Dublin in the

Head of the judging panel, Joan O'Connor, called the design a "brave and uncompromising beacon" that would reaffirm "the status of O'Connell Street as Ireland's principal urban thorough-fare." The IRA destroyed Nelson's Column — a copy of the one in London's Trafalgar Square — to commemorate the 50th anniversary of the 1916 rebellion against British rule of Ireland

TURKEY: Vote Topples Government

Continued from Page 1

that female university students be forbidden to wear head scarves, but powerful generals quickly slapped him down. Similar conflicts are likely to afflict the

next government. Mr. Demirel could name an interim prime minister within a few days. Ac- After the European Union refused to cording to press reports, leading can-didates include Hikmet Cetin, speaker of bership last year, Mr. Yilmaz reacted Parliament, and former Prime Minister Bulent Ecevit.

During his term of office, Mr. Yilmaz managed to bring Turkey's inflation rate
down from nearly 100 percent annually

Ocalan last month. When Italian leaders
refused to extradite him for trial in Turto about 77 percent. Negotiations with the International Monetary Fund on an cused Italy of embracing terrorism and economic package for 1999 were to have threatened it with an economic boycott. begun Friday in New York, but were canceled Wednesday. Gunes Taner, the cabinet minister who was to have led Turkey's delegation, was implicated in the scandal that brought down the gov-

Human rights violations continued during Mr. Yilmaz's term, but apparently decreased steadily. Amnesty International recently praised the steps he

has taken to curb abuses. Although Mr. Yilmaz was not able to push through major reforms to a political spreading for the last two years. It is system that many Turks believe is scler-centered around allegations that Turkish otic and self-centered, he will be re- leaders have for years maintained ties to membered as the prime minister on gangsters, using them to commit polit-whose watch the country's most-wanted ical murders and allowing them in return fugitive was arrested. The fugitive, Ab- to smuggle drugs and weapons.

dullah Ocalan, who leads a rebel army that has been fighting for a Kurdish homeland in southeastern Turkey, was held in Italy, then released but ordered to stay in Rome.

Although Mr. Yilmaz is perceived as pro-Western, Turkey's relations with Europe deteriorated during his term. with a bitterness that alienated some European leaders. Relations seemed to be improving until the arrest of Mr. key, Mr. Yilmaz and other Turks ac-

The Yilmaz government was fragile from the start, depending on the support of Deniz Baykal, a power broker who controls a faction in Parliament but declined to join the ruling coalition. When Mr. Baykal withdrew his support several weeks ago, the government's fate was

Mr. Baykal acted after a series of charges that cast doubt on the government's integrity. The charges stemmed from a complex scandal that has been

BOOKS

THE SHADOW OF **KILIMANJARO** Un Foot Across East Africa

By Rick Ridgeway. Illustrated. 288 pages. \$27.50. Henry Holt.

Reviewed by Richard Bernstein

IN a world that is smaller and smaller, it's harder and harder to write travel books that have the zing of adventure and the unknown to them, but a host of traveler-authors continues to plow the historic terrain. And no terrain in this regard is more historic than East Africa. a portion of which - from the summit of Kilimanjaro in Tanzania to the shores of the Indian Ocean in Kenya - was traversed on foot last year by Rick Ridge-way and a team of Kenyan guides. Ridgeway, whose book, "The Shadow of Kilimanjaro," is an account of his trip.

broaches a variety of subjects as he and his companions make their way through an area rich with animals and echoing with the exploits of earlier travelers -British empire builders, native hunters. tourists like Ernest Hemingway. Ridgeway's effort is to use his trek, which takes him from the ice fields of Africa's highest mountain to the Indian Ocean, about three days' walk away, as a starting point for reflections on history and nature.

He describes the activities of pioneering game wardens to save the elephants. He ruminates on the Waliangulu, the famed People of the Long Bow, perhaps the greatest archers, whose way of life has been terminated by the requirements of conservation. He reads widely and recounts the experiences of predecessors in this part of Africa, for example, Lieutenant Colonel J.H. Patterson, a railroad builder whose greatest adventure was to hunt down two lions that had eaten dozens of his Indian coolies. Ridgeway also scrutinizes his own reactions and emotions to try to answer some questions: Why do men enjoy hunting? Why are hunters also conservationists?

The past and the present of East Africa are so intrinsically interesting that it would be almost impossible to write a boring book on these subjects. Still, The Shadow of Kilimanjaro" is limited in important ways, in large part because Ridgeway, likable and earnest as he is, does not have either the literary or philosophical originality to provide compelling answers to the questions he raises. His own excursion through the African bush also falls short of what might be called great adventure. But one reads his book with pleasure, enjoying his com-panionship and conversation, his keenness for experience and knowledge, and the quality of many of his observations.

Ridgeway, who lives in California, was in East Africa making a documen-tary film (which is what he does for a living in far-flung parts of the globe), so he did not exactly travel light. His companions were three experienced Kenyan mountaineers and game guides, as well as a cameraman and three African park rangers carrying high-powered rifles to protect the team from any attacking elephants, buffalo, hippos or lions. Here and there at designated points on the route, porters and a cook showed up in Land Rovers so that Ridgeway and his company could get close to nature and arrive in a comfortable and well-

equipped camp at the end of each day. In other words, while the expedition was on foot — "the only way," Ridge-way writes, "to gain a tactile knowledge of Africa's wildlands and wild animals' this was something of a champagne safari. One doesn't blame our travelers for that, but the very comfort of it robbed the experience of some of its literary

possibilities. Hardship in the African bush is more interesting to read about than the enjoyment of mozzarella and tomato salad served with iced beer.

The Ridgeway team saw plenty of animals in the two parks it traversed, Tsavo West and Tsavo East, which extend eastward from the foot of Mount Kilimanjaro, but the presence of armed guards took away the suspense. At one point, the group is charged by an elephant matriarch, but the park rangers fire bullets over its head and the elephant, no fool, "plows its front legs to a stop, veers and runs at an angle away from us.

The charge is a high point for Ridgeway, one that he comes back to several times as he ruminates on human pleasure in the hunt. After considerable reflection, he arrives at the not very astonishing conclusion that the pleasure has to do not with the kill itself, but with the previous connection to the bush, "the razor edge your senses take" at the nearness of a buffalo or "the charge of a 12,000-pound elephant who means to do you harm."

The elephant population declined, and that required a ban on all hunting, even if it meant jailing many of the Waliangulu tribe for carrying on the way of life of their ancestors. Ridgeway leaves the Waliangulu village with the memory of a former hunter chewing slowly on a sheep bone and saying: "In the old days, we did portant things. Now, we only farm."

It is an elegiac ending for a people caught in the very vise that Ridgeway represents, the vise of European visitors tourism, international markets, high-powered rifles. To his credit, Ridgeway understands that fact as he makes his morally cautious way through Africa. What he understands is that, moral caution or not, he is able to enjoy it, and the Waliangulu are not.

New York Times Service

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BRIDGE

By Alan Truscott

IN the last five years, New York has lost four giants of the game: Jim Becker, Victor Mitchell, Edgar Kaplan and Judy Tucker. A Giants Game honoring all four was played Sunday night at Honors Club in Manhattan. It raised more than \$8,000 for the Chemotherapy Foundation, and there was an interesting twist. Each of 80 participating pairs elected to play on one of four teams named for the honorees, and the Becker team was victorious, based on average percentage score.

The individual pair winners, Tom Smith and Gene Saxe, played for the Kaplan team and were aided by the diagramed deal. At some tables, West landed in five diamonds doubled, which was tricky after two heart leads forced a ruff. If West simply led the diamond ace he could escape for down two.

reach the dummy for a diamond finesse, repeated heart leads would promote the diamond eight as an extra trick for the defense.

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But if he led a club, hoping to

If North-South managed to reach four spades, finding their four-four fit, they could make a valuable overtrick.

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West 1	led the sp	ade two.	

With North as declarer, perhaps after a one-heart opening, a four-diamond overcall, and a reopening double from South, East would no doubt lead the club king. Then South could win, cash three top spades and play hearts. disposing of the club loser in

the North hand.

The popular contract was he opened with one Precision club, strong and artificial. West led his spade deuce, an obvious singleton, and South captured the nine with the queen and drew trumps, ending in his hand. He then led the diamond king, and after taking the ace West did the best he could by shifting to the club deuce — a card that East should have marked e. closely. Smith captured the jack with the ace and cashed his remaining trumps, reaching the ending shown at

Reading the position accur-

ately. Smith led the club eight and the diamond jack was thrown from dummy. East had to win and lead a spade, giving South three tricks in the suit and the overtrick he wanted He would have been unable to manage this if East had paid attention to the lead of the club deuce. This indicated owner ship of a club honor, clearly four hearts, and Smith the 10, so East should have reached that, as shown, after thrown his club honors and saved a small card in the suit

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23 "I'll second that

ACROSS Some caste shower 9 Art drawing 31 Loose 4 Reason for an 33 Garth Brook

notably 34 Christopher, but not the saint 15 It may be braided 1925 trial name 40 Low grade 41 Take out for the Becomes Electral brother and namesakes shelves, say

42 One way to stop 48 Smallest Can. 18 Peter, but not 20 Francis, but not 49 Unifortunațe the saint 22 Floor-making 52 Bryan, for one 53 Stephen, but not the saint

Solution to Puzzle of Nov. 25



57 John, but not the saint 59 Vivacity se How doughnuts st Provide for free

62 Başebali's Brogna 63 Not say directly 64 Cap sits

1 Metal tips 2 Sartre classic a Not quite a run 5 Popular € Clip 7 Admittance 8 Glittery stone 9 Chesterfield, for

to The Phantom of the Opera 11 Wreath feature 12 Like Bach's 13 Pale blond 19 Şame Monopoly 21 "...— \$7 km die" (1967 lyric)

38 Bill Gates, e.g.: 39 Banquet 43 Curved figure 45 Emphatic, in a 46 Rainier locale 47 Up to this time. 49 Twinking of an 56 Smart one

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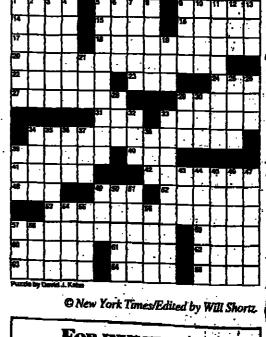
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ASIA/PACIFIC

New Cambodia Assembly Opens Amid Skepticism

removes an armed threat to stability as

well as an arena of competition between

The Communist Khmer Rouge, re-

million people when they held power

crippled his political party.

"It dismantled their security appar-

atus, dismantled their media outlets, helped exacerbate or even create fis-

sures within the party, put the party at a significant disadvantage in the 1998

election and contributed immeasurably

to the climate of impunity and political

the two major political parties.

By Seth Mydans
New York Times Service

PHNOMPENH—After four months of infighting, bullying and bloodshed.
Cambodia finally got its new National
Assembly on Wednesday, a smiling bowing alliance of men who despise and in some cases have tried to kill -

It looked the part, all-red carpets and roll calls, gently tapping gavels and statesmanlike remarks from deputies in double-breasted suits.

But the red-carpeted institutions of vernment are not the real arenas of Cambodia's primitive politics, where bitter rivalries seem to go on forever and nobody truly concedes defeat Many foreign analysts, their hope for democ-ra wearing thin, said they feared that the show of amity would be fleeting.

For one thing, the new government, forced together long after the July 26 election by the moral sussion of King Norodom Sihanonk, looks unsettlingly like the last one, which broke apart in a government, if it chooses to do so.

violent coup 16 months ago.

Once again, it is a coalition of battlefield enemies from the 1980s: the former Communists of Hun Sen and the royalists of Norodom Ranariddh, the king's son. Once again, the two parties share the ministries of defease and interior and apportion the rest between

But there is a key difference in the arrangement that could make it more stable. Only one man is in charge this time, Prime Minister Hun Sen, whose party won the most seats in July.

Prince Ranariddh, whose party is the junior member of the coalition, has been relegated to speaker of the 120-seat National Assembly, where the clash of ambitions will be less destabilizing than when he shared the premiership with Mr. Hun Sen

In addition, Cambodia has seen two major events in recent months that open a new political chapter and offer the possibility of substantive work by the

repression," a Western diplomat said of One is the collapse of the Khmer Rouge guerrillas, after more than 30 years of fighting and mass killings. Their collapse as a serious fighting force

The country is now governed by one dominant and feared political and military power, recognized by the inter-national community, that will be more difficult to challenge.

The formation of an elected government, despite the fraud and intimidation sponsible for the deaths of more than 1 that marked the election, is likely to restore Cambodia's disputed United from 1975 to 1979, have disintegrated through defections over the past two years. Their founder, Pol Pot, died in the Nations seat, win eventual acceptance into the Association of South East Asian Nations and see a resumption of crucial jungle in April.

The second change is the success of Mr. Hun Sen's coup in July 1997, which routed the prince's royalist troops and foreign aid that was suspended after the

It brings to Mr. Hun Sen the lein things to Mr. Hun Sen the legitimacy he has sought since he was installed as prime minister in 1985 by an occupying Vietnamese army and since he had to elbow his way into shared leadership with Prince Ranariddh in 1993 after losing an election sponsored by the United Nations.

'In Cambodia now there are no competing ideologies, no competing armed orces and no outside interference," a foreign diplomat said. "This obviously increases the chances for stability. And stability was one of the fundamentals of the international involvement in the Cambodian elections.

The other fundamental was the fostering of democracy in Cambodia, and it is less clear that progress has been made

The election itself, though marked by

By Celia W. Dugger

New York Times Service

NEW DELHI - People here were in

a sour mood Wednesday as they voted

in elections that are likely to further

can we eat?



احتكنامن الأحطا

Prince Ranariddh, left, with Prime Minister Hun Sen on Wednesday.

an outpouring of enthusiasm by voters, was badly flawed through the muscle and manipulation of Mr. Hun Sen's party. Its outcome was the result of post-election struggles as much as of the voting itself.

As a lesson in democracy, its message to Cambodians may have been that real ower does not yet come from the ballot box but from the feudal chieftains who

still hold sway. It is not yet clear that the people who have won power will use it to address the country's real issues of poverty,

economic development, education and health care, which are among the worst

Mr. Hun Sen's party, the Cambodian People's Party, has control of what are described here as the "money-making ministries" (a reference to their potential for corruption), including finance, commerce, construction, industry and planning. Prince
Ranariddh's party has most of the social portfolios, like education, health and

rurai development. Thus, the prince's party can make its mark on society, and boost its future electoral prospects, if it succeeds in improving social welfare. But its pros-pects for this are severely limited: It will depend almost entirely on funding from Mr. Hun Sen's financial ministries.

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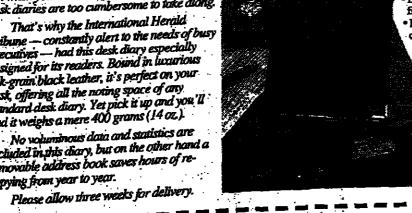
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weaken the wobbly Hindu nationalistled coalition that has governed the coun-In Madhya Pradesh, a large state in central India that is currently governed by the Congress (I) Party, exit polling showed the Hindu nationalist Bharatiya Janata Party with a narrow, 2 percent try for eight months. Cranky voters complained about soaring vegetable prices, crime and endemic corruption as they left the polling booths. "We're poor," said Lila Ku-

mari, 48, who supports herself and her elderly mother on her meager earnings from sewing sleeves onto shirts. "How Election officials will not begin

counting the millions of votes cast Wedgional party. nesday in the capital territory of Delhi and the states of Rajastban, Madhya Pradesh and Mizoram until Saturday.

India Exit Polls Show Opposition Gains But exit polls conducted for the gov-ernment-funded television station found that Hindu nationalist governments in Delhi and Rajasthan were being swept from power by the Congress (I) Party, which has ruled India for most of its 51year history as an independent nation.

lead in the popular vote, but polling experts said the margin of error makes it difficult to know the outcome of the race until the votes are actually counted. In Mizoram, a tiny state in northeastern India, Congress (I) was losing to a re-

Political analysts say that the loss of its strongholds in Delhi and Rajasthan would be a serious political blow to the

Bharatiya Janata Party. At a minimum it is likely to make some of the party's coalition partners, already nervous about how the inflation issue will affect their own political prospects, more likely to bolt, and could set off a move for a no-confidence vote when Parliament convenes next week.

This election was the first to be held since the Bharatiya Janata Party won power at the national level in May. It is also the first test of the Congress (1) Party's popularity since the Italian-born Sonia Gandhi, widow of the assassinated Prime Minister of India, Rajiv Gandhi, took over as president of Congress.

For weeks, the Bharatiya Janata Party and Prime Minister Atal Bihari Vajpayee tried to change the prime topic of political conversation from the price of onions, which has soared in recent months, to

Malaysian Protests Fade After Comments by Gore

By Thomas Fuller tional Herold Tribune

KUALA LUMPUR - The nascent Malaysian anti-government movement is in retreat, with one of its leaders in prison, demonstrations reduced to a few dozen people standing on a street corner once a week and outrage fading over the treatment of the best-known leader of the movement, Anwar Ibrahim.

The Malaysia of two months ago, where weekly street protests drew tens of thousands of citizens, looks unlikely to return soon. Malaysian political analysts and business leaders say.

The killings of dozens of people in ethnic-related violence in neighboring Indonesia in the past two weeks has undercut support for street protests, especially among Malaysia's large and influential Chinese minority.

And after Vice President Al Gore praised voices of reform in Malaysia this month, the government has waged a widespread campaign to drum up pa-triotism; radio spots and daily full-page advertisements fill local newspapers that exhort Malaysians to condemn the "stupid, ignorant, ill-bred idiots" in-

sulting the country, words aimed at Mr. The streets of Kuala Lumpur are filled with cars flying miniature national

flags, which are given out free. All of this would appear to be a victory for Prime Minister Mahathir bin Mohamad, who just two months ago

was under siege, widely criticized abroad for the treatment of his former deputy and facing large-scale demonstrations at home. But political analysts here say the

political mileage that Mr. Mahathir has earned arnid the outrage over Mr. Gore's comments will fade just as the

Troops Stop Rally Near Suharto Home

The Associated Press

JAKARTA - Hundreds of Indonesian students tried Wednesday to march to the heavily guarded home of former President Suharto to press demands that he be tried for corruption and humanrights abuses.

Squads of troops, however, blocked the estimated 1,500 students at a park adjacent to the U.S. ambassador's residence after they had moved from downtown through the exclusive suburb where Mr. Suharto lives.

There were no reports of arrests or injuries.

Stopped about a kilometer (about 1,000 yards) from Mr. Suharto's home, the students chanted anti-government slogans and shouted, "Suharto is a

dog!"
Two busloads of students also were blocked from demonstrating outside the State Secretariat, next door to the pres-

black eye Mr. Anwar got after he was

imprisoned is no longer seen as a major 'Although the prime minister seems to be in front today. I'm not sure he can sustain it over the next few months," said an aide to one of the top politicians

in Malaysia. "We are not sure how the economy will fare." But for now, the government seems to

have the upper hand. Opposition groups are finding it more difficult to communicate their

anti-government message. Tian ANALYSIS Chua, who helped cobble togeth-1515 er the diverse political parties and humans rights groups that formed a key element of the reformasi movement, was arrested last weekend, several hours after a small street demon-

> He is still in police custody and is being charged with demonstrating il-

legally.

The government has also tried to put

Malaysia's large out the message to Malaysia's large middle class that any kind of demonstration can easily turn into a racial and ethnic issue. That seems to have had success among the ethnic Chinese, who make up about one-third of the population of Malaysia.

"What we're scared of is that, if it's allowed to go on and it gets out of hand, then the price to be paid will be very expensive," said Paul Low, the head of the Federation of Malaysian Manufacturers, which represents 2,000 compa-

Editors at local newspapers, which are closely monitored by authorities, say they have been instructed to run photos from around the world of street

Photos of bloodied corpses on Jakarta streets run on the front page. The images resonate among Malaysians who remember the ethnic riots that rocked the Malaysian capital three decades ago.

But looming over the political scene is the issue of Mr. Mahathir's health. After two major international events in the capital — the Commonwealth Games in September and recently concluded Asia-Pacific Economic Cooperation forum -- the 72-year-old prime minister appears tired.

Mr. Mahathir, who underwent open-

heart surgery a decade ago, does not have a clear successor following the September dismissal of Mr. Anwar, the former deputy prime minister whose trial on corruption and sodomy charges rumbles on.

For now, the prime minister's bold experiment with capital controls has impressed many business leaders in the country. The measures, introduced in September, insulate the country's currency, the ringgit, from global trading and peg it to the dollar.
"Interest rates have been brought

down, the stock market has been going up and the earlier general pessimism seems to be slowly and gradually overturned," said Looi Teong Chye, head of the Association of Small and Medium-

BRIEFLY

Vietnam Chides Manila on Spratlys

MANILA - Vietnam complained Wednesday about the Philippines' accepting China's proposal for "joint use" of structures being enlarged by Chinese workers on a disputed South China Sea reef, a Philippine official said.

In Hanoi, the Philippine ambas-sador, Jorge Lardizabal, was summoned by the Foreign Ministry to explain why Manila had agreed to the proposal, the official said.

"They re not comfortable about this joint use and they want to clarify why we suddenly agreed to it," said the senior Philippine foreign affairs official, speaking on con-

dition of anonymity. The reef is part of the Spratly Islands, which are claimed in whole by China, Vietnam and Taiwan, and in part by Malaysia and the Philippines. Brunei claims one

China Still Holds 70 Church Leaders

BELIING - More than 70 Protestant "house church" leaders re-main in detention following a crackdown on illegal church activities in late October and early November, and one woman was beaten so badly in jail that she suffered brain injuries, a human rights group said Wednesday.

The crackdown occurred in the central province of Henan, where underground Protestant leaders from around the country were holding meetings.
The injured woman, Cheng Meiy-

ing, had traveled to the meetings from northeastern China, where she was a successful missionary, establishing many new house meetings, according to the statement from the New York-cased group Human Rights in China.

The statement, based on information passed abroad by house church followers, said that Miss Cheng had repeatedly been beaten while in detention and had lost consciousness for three days. She was released Saturday but suffers mental loss and severe disorientation, the statement said.

Killer of Pandas Jailed for 20 Years

BEIJING - A farmer in southwestern China has been sentenced to 20 years in prison for killing giant pandas, selling their pelts and stabbing and seriously injuring a policeman while resisting arrest in 1995, the state-run Xinhua press

agency reported Wednesday. The giant panda is an extremely endangered species indigenous only to China. (AP)

INTERNATIONAL

Iraq Criticizes Inspector And Oil Sales Program

The Associated Press

BAGHDAD - fraq took aim Wednesday at both the chief United Nations weapons inspector and the extension of the "oil-for-food" program a day after The UN Security Council's failure to take a tough stand in the dispute over yums documents.

UN arms experts, meanwhile, started second week of inspections since their return to Iraq. Ten jeeps set out on Wednesday from the Baghdad headquarters of the UN Special Commission for disarming Iraq. On Tuesday, inspectors visited a total of 25 sites, according to Iraqi officials.

The arms experts were evacuated for a week this month amid threats of U.S.-British air strikes on Iraq for its refusal to cooperate with the UN commission, known as Unscom. The air strikes were called off Nov. 14 after Baghdad promised to resume cooperation.

Although Washington has kept its forces on guard for the next time Iraq

Glitches Reported In Space Station

MOSCOW - The five-day-old International Space Station has developed three small malfunctions. but they will not prevent it from docking with its next module early next month, the head of the Russian Space Agency, Yuri Koptev, said

Wednesday. "Work overall is proceeding normally, but there are three minor malfunctions," Mr. Koptev said at a press conference, adding, "They do not have any impact on the Za-

rya's overall operations.' Russia launched the unmanned power and propulsion module, named Zarva, last Friday, marking the start of a \$60 billion project with the United States, Europe, Japun and Canada.

Mr. Koptev said one of eight batteries that store energy from solar panels was not working properly, but ne said the craft needed just four to operate properly.

Officials have also detected an unexpected abundance of humidity inside the \$238 million, U.S.-funded module. A third problem is that an antenna for the craft's manual docking system - a backup to the automatic system -- is not working

falls out of line, the Security Council failed Tuesday to pass judgment on the reluctance of the Iraqis to hand over more documents to the commission.

'Council members expressed their continued full support for Unscom in fulfillment of its mandate," said the panel's president, Peter Burleigh.

Despite nearly four hours of talks, no decision was made as to whether Iraq's

refusal amounted to noncompliance. The chairman of the UN commission, Richard Butler, has issued a series of letters requesting documents containing specific data on Iraqi biological, chemical and ballistic disarmament files. But Iraq is refusing to hand over new documents, saying that more than 2 million have been surrendered during the seven years that the commission has been searching for Iraqi weapons of mass destruction.

"It is clear from the successive letters sent by Butler that he is looking to stop or delay the comprehensive review of sanctions," the daily newspaper of the ruling Ba'ath Socialist Party, Ath

Thawra, said Wednesday. The Security Council renewed the oil-for-food agreement Tuesday at current levels, providing for Iraq to export up to \$5.2 billion worth of oil over a six-

month period, starting Thursday.

The oil-for-food plan has been in force in six-month phases since December 1996, but the allocation was doubled for the fourth term in view of falling health standards. It allows Iraq to export a fixed value of oil in return for urgently needed food and medical supplies.

Iraq had sought a two-month extension of the current, fourth phase of the accord, asserting that a slump in oil prices had prevented it from reaching an agreed target of \$4.5 billion.

A UN spokesman said the United Nations and Iraq were set to hold talks in Baghdad on a new distribution plan for humanitarian supplies.

"We will continue to run the oil-forfood program while discussions go ahead on details of the distribution plan for phase five," the spokesman said.

But Ath Thawra asserted that the program was "obsolete" and no longer capable of meeting Iraq's needs. The paper called instead for the oil embargo to be lifted.

Separately, Iraq dismissed U.S.-British support for Iraqi opposition groups trying to topple President Saddam Hussein as an imperialist fantasy.

Those colonizers are having sick dreams which are impossible to realize," the official Iraqi press agency, INA, quoted an Information Ministry spokesman as saying. (AFP, Reuters)



President Jacques Chirac welcoming Mr. Arafat to the Elysee Palace on Wednesday.

Arafat Goes to Paris on Gaza Flight 001

DAHANIEH, Gaza Strip — With an honor guard seeing him off, Yasser Arafat, the Palestinian leader, flew to Paris on Wednesday on his first flight from the new Gaza International

Airport.

A vital link for Palestinians bringing goods in and out of Gaza and a powerful symbol of independence, the airport opened Tuesday. Mr. Arafat's Flight 001 took off while Israeli

security officials in civilian clothing watched from the runway. Israel maintains security con-

trol over the airport.
"This is a historical event that ushers in a new era in Palestinian history," said Brigadier General

Fayez Zeidan, chairman of the Palestinian Civil Aviation Authority. Mr. Zeidan said 001 would now be Mr. Arafat's official flight number.

Two of Mr. Arafat's top advisers, Nabil Shaath and Nabil Abourdeneh, accompanied him to Paris where Mr. Arafat was to meet with President, Jacques Chirac and Prime Minister Lionel Jospin. He also was to meet President Hosni Mubarak of Egypt, who was in Paris for a French-African summit.

Mr. Zeidan said commercial flights from Gaza would begin next week. Those include daily flights from Gaza to Jordan and back. Air Morocco has also agreed to have two flights weekly to and from Gaza.

Argentina Orders Ex-Admiral's Arrest

By Sebastian Rotella Los Angeles Times Service

BUENOS AIRES — A judge investigating the systematic kidnapping of babies by the dictatorship that ruled Argentina in the 1970s and '80s has ordered the arrest of former Admiral Emilio Massera, a feared member of the military junta.

Admiral Massera, 73, became the second former Argentine military leader arrested this year in acelerating investigations of the regime's practice of holding pregnant political prisoners until they gave birth, killing the mothers and turning the babies over to members of the security forces.

The head of the junta, General Jorge Rafael Videla, was arrested in June on charges that he was the chief commander of the conspiracy.

After testifying for most of the day Tuesday before the investigating judge, Maria Servini de Cubria, Admiral Massera was arrested on suspicion Massera is expected to appeal the arrest order.

of unlawful detention of children and falsification of documents.

The pPolice speeded him past a mob of demonstrators at the courthouse here to the capital's outskirts, where he was held in a detention center at the Campo de Mayo army base.

Ironically, the army base was the site of a clandestine "maternity ward" where the doomed prisoners gave birth. Human rights activists have documented the

disappearances of 250 babies and estimate that the actual number is twice that high. Admiral Massera and General Videla were con-

victed in 1985 of murder and other crimes perpetrated by the regime, which killed as many as 30,000 people from 1976 to 1983. The two were pardoned and released in 1990.

Like General Videla, who awaits trial under house arrest because of his fragile health, Admiral

BRIEFLY

Iran May Get 3 More Reactors

MOSCOW — Russia is studying the possibility of building three more nuclear reactors at a controversial power plant in Iran, the Russian nuclear power minister said Wednesday.

The United States and Israel already object to Russia's efforts to help with the construction of a nuclear reactor in Iran, and would almost certainly oppose the building of additional reactors. They fear that the reactors could be used to help develop nuclear weapons. Iran insists that the plant will

be used only for energy.

The Russian minister, Yevgeni Adamov, recently returned from a trip to Tehran, where he signed an agreement with Mohammed Aghazadeh, head of the Atomic Energy Organization of Iran. The deal calls for Russia to complete its work on an \$800 million contract to help build plant and conduct a feasibility study for the additional reactors. (AP)

Congo Rebels Acknowledge Attack

KIGALI, Rwanda — Congolese rebels acknowledge Wednesday that Zimbabwean warplanes had bombed the eastern shore of Lake Tanganyika in an apparent escalation of a counteroffensive by forces allied with the government of the Democratic Republic of the Congo.

Congolese state radio said Tuesday that the government and its allies had hit rebel targets in Kalemie, a port about 500 kilometers (300 miles) south of the rebel stronghold at Goma. The raid followed a similar attack last week in which the government said it had sunk six barges, carrying 600 rebel troops, between Kalemie and Moba, the southernmost town under rebel control. The rebels denied that report.

In the past, rebel commanders have dismissed the threat of the Zimbabwean Air Force, saying its planes were dropping bombs from too high an altitude to hit precise targets. (AP)

Forest Groups Protest Brazil Cuts

RIO DE JANEIRO — More than 300 nongovernmental organizations have criticized a government plan to make heavy cuts in programs to protect Brazil's rainforests.

Programs to fight forest destruction and increase examples.

tourism will be hurt by the cuts, said Claudionor Alexandre Barbosa da Silva, president of the Amazon Work Group, in an interview Tuesday with the Estado de Sao Paulo newspaper. The group, which represents 355 nongovernmental organizations, is opposed to a government plan to cut 90 percent of funding allocated for the forest programs.

The cuts are part of an austerity program Brazil put in place to secure a \$41.5 billion International Monetary Fund rescue

For the Record

The Taleban militia in Afghanistan on Wednesday released the last Iranian prisoner it had been holding since August, the official Iranian press agency, IRNA, reported in Tehran. Manuchehr Amiri, a truck driver, was handed over to an official of the Foreign Ministry of Iran in Afghanistan and the two later left for Iran, the agency said.

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The government of Peru this week crased the criminal records of more than 400 people wrongly convicted of terrorism who had been freed by presidential pardons, a longtime demand of human rights groups. The measures also ended terrorism or treason charges pending against the former pris-oners and freed them of obligations to pay fines imposed on them by military courts. But they have not been offered financial compensation for the years in prison.



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Section 1997

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g₁, 1, 2, 4 Age of the second secon By Saul Hansell
New York Times Service

NEW YORK - America Online Inc. built itself into the most potent force in cyberspace largely by appealing to families with charty teenagers who want to flirt on-line and adults looking for an easy way to send electronic mail while checking the weather and sports scores.

Nearly lost in the complexity of America Online's deal

to buy Netscape Communication Corp. is America On-line's amouncement that it will enter an entirely new market: working behind the computer screen to help

companies open and operate on-line stores.

Netscape already has created software that made it a player in providing support for what is known as electronic commerce. But America Online now says it has ambitions to offer a much wider array of software, consulting and services for on-line merchants.

"Most companies that sell to consumers realize that they need to get into the e-commerce space," said America Online's president, Robert Pitman, in a news conference Tuesday. "We see a major business in of-fering them an end-to-end solution."

The market is big and growing bigger by the day. Forrester Research Inc. estimates that \$325 million will be spent this year on electronic commerce software, with an additional \$5.3 billion spent on services that range from graphic design to the turnkey operation of entire online stores. By 2002, Forrester estimates, the combined market for electronic-commerce services and software should top \$35 billion.

Traci Gere, an analyst at International Data Corp. said: "E-commerce services are the silver bulket that will enable companies to be able to take advantage of the true business opportunities on the Web. The market is growing very rapidly, but it is very fragmented."

Analysts say the current leader in e-commerce services is International Business Machines Corp., which

has a full line of offerings from sophisticated software

products to consulting.

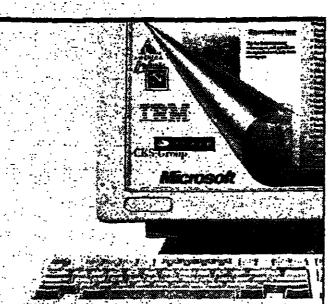
Other competitors include companies such as Andersen Consulting, the spin-off from the Arthur Andersen accounting firm; Electronic Data Systems Inc., which runs computer systems for big companies, and Pricewaterhouse coopers, which offers accounting and consulting separately but under one umbrella. Software companies such as Microsoft and Netscape sell packaged programs, typically with little or no consulting.

There are also plenty of new companies that have sprouted up to provide electronic-commerce services. sprouted up to payone electronic commerce services. Some, like Agency Com and Organic Online, started basically as advertising and design firms. Others, including US Web and Viant, have emphasized programming and consulting. In fact, these two strains are blurring together, as exemplified by US Web's pending merger with CKS Green.

America Online argues that its advantage in this increasingly crowded bazaar is its ability to combine broad subscriber base of about 45 million customers with Netscape software, plus hardware from Sun Microsystems, which has joined in America Online's venture into

electronic commerce engineering. "This is the first time anyone has put a true end-to-end solution that starts with the silicon and ends with the audience," said Barry Schuler, America Online's president for interactive services. "We start with Sun's line of servers, then the commerce tools to build a store, the support services to process orders and then a deal for online real estate that can drive the traffic."

Despite the advantages Netscape and Sun bring, analysts say that America Online faces a variety of problems.



www.e-commerce.sell

Electronic commerce - buying and selling through the World Wide Web - is growing fast and so is the business of creating the tools and services needed to set up shop on the Internet.

The Merger America Online/Netscape/Sun Intended to offer end-to-end help for companies with hardware, software, space on servers and access to a huge audience of consumers.

WEAKNESSES Little ability to provide customized consulting and service.

Established Computer IBM Services Suppliers

STRENGTHS AOL's reach.

STRENGTHS Already provide wide range of information technology support for major corporations.

WEAKNESSES Internet may not be highest priority.

MAJOR PLAYERS **FDS** Andersen

Consulting Pricewaterhouse-Coopers Cambridge Technology **Partners**

Viant

Scient

Agency.com

Organic Online

Internet Services US Web/CKS MAJOR PLAYERS

STRENGTHS Focus on Internet plications and design skills.

WEAKNESSES Relatively inexperienced.

Software Companies Microsoft MAJOR PLAYERS

Broad Vision STRENGTHS Packaged Open Market applications can be used by a wide range of businesses.

WEAKNESSES Little or no ability to customize products.

NYT

See AOL, Page 18 Asia and Russia Hit Nestle's Earnings

New York Times Service Nestle SA, the Swiss food giant, became the latest European company to feel the bite of the emerging-markets meltdown, announcing Wednesday that

collapsing sales in Russia and Asiawould slow profit growth this year.

Nestle said food sales in its Africa, Asia and Oceania regions alumped 8.7 percent from a year earlier in the first 10 months of the year, to 10 billion Swiss francs (\$7.1 billion). In Russia, sales plummeted 30 percent, Nestie said,

traugh it gave no detailed figures. sales in Japan and Brazil -markets that had shown abundant recent promise as well as a stronger Swiss franc were clouding its growth outlook.

At a news conference at Nestle's headquarters in Vevey, Switzerland, the company said global revenue in the first 10 months rose 4 percent, to 59.2 billion Swiss francs from 56.9 billion francs a year earlier. Nestle said its commitments in Russia to deliver products at dollar

prices calculated before the ruble's 60 mand for Nestle products in the United percent plunge in value against the U.S. States and Western Europe would help

corrency, would cut into earnings. Peter Brabeck, who took over last year as chief executive at Nestle, said higher interest rates in Latin America also would weigh on earnings. He ad-ded, however, that continued robust de-

offset the downward trend elsewhere.

Mr. Brabeck said Nestle was taking 'energetic measures' to counter the problems, such as introducing lowerpriced products, developing new dis-tribution channels and reviewing costs.

IHT Opens a Printing Site in Indonesia

begin printing in Indonesia on Thursday the IHT was flown to Indonesia from following a press liberalization program under which the new government ad-mitted international publications, the Paris-based newspaper announced.

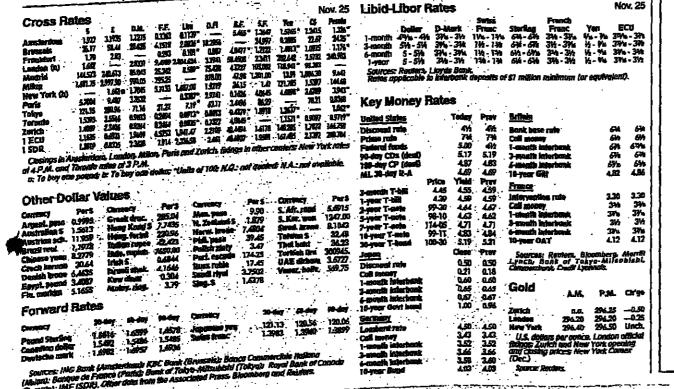
The lakarta site is the 17th print site added by the paper, which is jointly owned by The New York Times and The Washington Post.

The P.T. Gramedia presses will

International Herald Tribune print the full global edition of the IHT
The International Herald Tribune will for morning distribution. Previously, print sites elsewhere in Asia.

Nigel Oakins, the IHT's managing director for Asia-Pacific, said the paper was "committed to increasing its presence in the Asia-Pacific region" and that printing in Jakarta was "an important part of our overall expansion plan, which will further unfold in the coming months."

CURRENCY & INTEREST RATES



Hoechst and Rhone Disclose Talks

European Drug Giants Confirm They Are Discussing Joining Forces

PARIS -- Rhone-Poulenc SA and Hoechst AG, the leading drugmakers in France and Germany, ended weeks of speculation Wednesday by confirming that they are negotiating a merger.

A combination of the two would create the world's second-biggest drugmaker in terms of sales, after Merck & Co. of the United States, Hoechst's annual sales are estimated at about \$13.75 billion, with Rhone-Poulenc at \$11 billion. The two companies together emplay 180,000 people.

The talks have been under way for months, and sources said the acknowledgment Wednesday could signal that an announcement could come soon. But Hoechst said there was "no guarantee" as to the outcome of the discussions.

Analysts said such a merger would improve the companies' market share and bring major savings in the pharmaceutical sector by combining areas in which they overlap, including cancer and allergy treatments.

Rhone-Poulenc shares fell 4.50 French francs to 286 francs (\$49.94), while Hoechst shares declined 3.35 Deutsche marks to 75.05 DM (\$43.90). Both companies' shares have climbed more than 30 percent in recent weeks

amid talk that they would merge.
"Combining to create critical mass in life sciences is a good idea," said Thilo Steiger, a fund manager at AXA Fonds-



Jean-Rene Fourtou, Rhone-Poulenc's chairman, sees a partner in Hoechst.

management. But neither Hoechst nor Rhone-Poulenc has any blockbuster drugs to compete with their rivals' best-sellers. Hoechst's top-selling drug — Cardizem, a heart medicine — had \$880 million in sales last year, while Rhone-Poulenc's blood-thinner Lovenox, generated revenue of \$500 million. Merck, Eli Lilly & Co. and Pfizer Inc. all have drugs with sales of more than \$2 billion

In addition, Hoechst and Rhone-Poulenc lack marketing clout in the United States, the world's most profitable and biggest market for pharmaceuticals, analysts said. The combined company

would rank 11th in the United States in sales terms, with a 3 percent share of the country's \$94 billion market for drugs, based on sales so far in 1998, according to IMS Health, which publishes figures on sales of prescription drugs.

The companies also have run into obstacles in efforts to shed chemical businesses as they seek to focus on more profitable products.

A joint business would contain Hoechst's and Rhone-Poulenc's key assets, such as Hoechst Marion Roussel, Hoechst's drug unit; Rhone-Poulenc Rorer Inc., the French company's U.S.based drugmaker, and Rhone-Poulenc's Pasteur Merieux Connaught unit, the

world's biggest vaccine maker.

One executive involved in the neotiations said Rhone-Poulenc and Hoechst had agreed on a management team for the new company but remained uncertain how to structure a merger of

The problem appears to be twofold: There is a large difference in the market capitalizations of the two companies, so Rhone-Poulenc and Hoechst were to merge, the German company would control 59 percent of the new entity. But executives at both companies are said to fear that the French government would reject a deal that allowed Rhone-Poulenc's pharmaceutical holdings to be

controlled by a foreign company.
(Reuters, Bloomherg, AP, NYT)

Deutsche Deal Seen as a Trend-Setter

By Edmund L. Andrews New York Times Service

FRANKFURT — Deutsche Bank AG's \$9.7 billion bid for Baskers Trust Corp. of New York is merely the most visible sign of a much broader upheaval

in European finance. From Swiss giants such as UBS to aggressive acquirers such as ABN-AMRO of the Netherlands, big moneycenter banks in Europe are coping with intense new competition both globally and in their home markets.

The new pressures are sending more financial institutions - banks, insurers and mutual fund companies - into one another's arms.

Many analysts and industry executives assume there will be additional trans-Atlantic deals as European banks struggle to carve out positions in the ing cross-border alliances with commerhuge American market.

Part of the pressure comes from American investment banks, which play a dominant role in orchestrating Europe's biggest mergers and help companies raise money from global markets.

But there are other forces at work. The introduction of the single European currency, the euro, in 11 countries in January has increased the pressure on national banks to reinvent themselves as

European players.

Meanwhile, profit margins in traditional banking areas such as commercial lending have declined so much in countries such as Germany that banks are bid for Bankers Trust has prompted scrambling to enter more lucrative areas. The result is a sweeping realignment in

cial banks. Takeover battles have erupted between rival institutions; the Belgian-Dutch financial firm Fortis, for example, outbid ABN-AMRO this year in the \$14 billion takeover of Generale de Banque SA of Belgium. And within countries, banks are merging to reduce their costs and bolster efficiency.

"There are whole new growth areas. and these have caused the banks to realize they have to reposition themselves," said Norbert Enste, a managing partner at B. Metzler Seel. Sohn & Co., a private bank in Frankfurt.

See BANKS, Page 18

WORLD-CLASS BUS RESSMEN West Ferst

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Investor's America 30-Year T-Bond Yield JASON Exchange 9314.28 9301.25 4021 The Dow Ü.S. S&P 500 1186.87 -1192.90 S&P 100 587.65 586.39 40 U.S. U.S. NYSE Composite. 579,77 1. 90 U.S. Nasdag Composite 1985.29 x 1966.32 U.S. 5519.70 | 5508.60 | LZ TSE tridex Toronto 490923 8696,55 49,5 4007.11 4054.58 41,5 Bovesne São Paulo Mexico City Bolsa 520.64 510.85 IPSA General 3816.38 392272 -0:16 Capital General 3725.27 3694.15 +1.12

Very briefly:

 Philip Morris Cos. will take pretax charges of \$1.97 billion in the fourth quarter for costs stemming from the settlement of 46 states' health-care claims against the major cigarette companies. RJR Nabisco Holdings Corp. plans a \$163.2 million fourth-quarter charge for the same reason.

• Pacific Gas & Electric Co. sold four power plants to units of two other utilities, Southern Co. and FPL Group Inc., for a total of more than \$1 billion. FPL Energy will buy a geothermal plant north of San Francisco for \$213 million. Southern will pay \$801 million for three oil- and gas-driven electricity plants near San Francisco.

 Dow Jones & Co. will cut costs by firing 118 employees, closing offices and using an outside company to handle subscription telemarketing for two of its publications, The Wall Street Journal and Barron's.

• Livent Inc., the embattled Canadian theater-production company, said the record producer Quincy Jones and H. Garfield Emerson, president and chief executive of N. M. Rothschild & Sons Canada Ltd., had quit its board.

• ABN-AMRO NV plans to buy all the voting shares it does not already own in Banco Real SA, the fourth-biggest private bank in Brazil. Terms were not disclosed. The Dutch bank agreed to pay \$2.1 billion for a controlling stake in Banco Real

 Canada's industrial product price index unexpectedly rose 0.7 percent in October because of higher petroleum and motor-vehicle prices. Economists had been expecting the index, an indicator of inflation, to decline 0.2 percent.

 Jose Rodriguez Banda, a Peruvian industrial group, bought centrol of four state-owned electricity distributors for \$145.7 million, 68 percent more than the minimum price set by the

• Hewlett-Packard Co. said it expected revenue in U.S. dollar terms in the Asia-Pacific region to rise 30 percent in the year ending in October 1999, compared with a 4 percent decline a year earlier. AFX, Bloomberg, Reuters

Jan 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	197.04	0.84	 0.42	+ 14.48
Regional Indexes				
Asia/Pacific	92.80	 1.49	— 1.58	3.40
Europe	224.87	~ 1.64	— 0.72	+ 16.49
N. America	277.79	+ 0.38	+ 0.14	+ 28.61
S. Amença	96.27	+ 1.41	+ 1.49	36.94
Industrial Indextes				
Capital goods	280.07	0.88	— 0.31	+ 35.58
Consumer goods	244.24	2.04	0.83	+ 16.45
Energy	199.44	- 0.12	— 0.06	+ 2.30
Finance	138.06	 0.25	 0.18	+ 12.28
Miscellaneous	182.31	- 4,40	— 2.36	+ 21.64
Raw Materials	170.78	— 1 <u>.2</u> 0	— 0.70	+ 2.12
Service	204.26	- 0 <u>.2</u> 9	— 0.14	+ 17.18
Utilities	178.22	+ 0.44	+ 0.25	+ 5.80
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Market's Magnetism Keeps Investors Buying Japan Slump. Completely the Suff From Deposites Government statistics released percent from 5.21 percent Tuesday, forecasts for the quarter that ended Raises Dollar.

Compiled by Our Staff From Departmen

NEW YORK - Stocks rose Wed- Tuesday showed that the economy nesday as investors sought issues that may have been overlooked during a rally to record highs Monday.

The Dow Jones industrial average, which lost 73.12 points Tuesday, finished 13.13 points higher at 9,314.28, and the Standard & Poor's 500 index ended 3.88 points higher at 1,186.87. The Nasdaq composite index closed up 19.32 points at 1.985.20, and gaining issues narrowly outnumbered declining ones on the New York Stock Exchange.

'Some people have been holding cash, and the market surprised them by rising so quickly, so when it pulls back, they go back in," said Joseph Stocke, a senior portfolio manager at Meridian Investment Co.

But worries that corporate profits might not justify high stock prices limited buying, as did profit-taking after Monday's run to record highs.

Oil Price Falls As OPEC Frets

NEW YORK - Oil prices fell Wednesday on worries that the Organization of Petroleum Exporting Countries would not be able to take firm action to lift prices.

OPEC members, meeting Wednesday in Vienna, appeared at an impasse after Venezuela reportedly said it opposed extending produc-tion cuts. The split, which delayed the official start of the group's year-end meeting, made effective action to lift prices unlikely.

The deadlock apparently was caused by Venezuela's announcement to OPEC delegates that it opposed extending cuts introduced in June. Informal talks about possible action went on for hours behind closed

doors, past the scheduled start of the formal meeting. It was not clear when or even whether the ministers would officially convene. The problem: The oil market hasn't been this bad in more than a

decade, and OPEC members don't

have a ready solution. Crude oil for January delivery on the New York Mercantile Exchange fell 26 cents to close at \$11.86. In London, the benchmark Brent crude price fell 29 cents to \$10.90, the lowest level since the contract began trading 12 years ago. Saudi Arabia fears that further cuts would deprive it of market share if other nations do not stop overproducing. Analysts say Venezuela, Iran and Indonesia are violating output agreements.

grew in the third quarter but that corporate profits fell.

profit reality," said Jean-Pierre Hel-lebnyck, vice chairman of AXA Investment Managers.

U.S. STOCKS

But government data Wednesday showed that consumer spending, a major engine of economic growth, was still strong. Investors also took the report as an indication that yearend holiday sales would be healthy this year.

Recent reports also have shown that inflation is not likely to be a threat, and that helped send the prices of Treasury bonds higher. The price of the benchmark 30-year is-sue closed 12/32 point higher, at 100

Newbridge Networks rose 234 to 27½ after the Canadian computer net-31/32, taking the yield down to 5.18 working company met analysts' profit

standard of living.

stock market.

WASHINGTON - Americans spent more than

they earned again in October, the government said Wednesday, borrowing and dipping into their sav-ings, munal funds and home equity to maintain their

The U.S. personal savings rate -- savings as a

percentage of after-tax income — was minus 0.2 percent last month. That followed a rate of minus 0.1

percent in September and was the lowest since the

government began tracking the figure on a monthly

since 1933, at the depth of the Depression. But the

reoccurrence of a negative savings rate does not

mean the country is sinking into recession, econ-

omists said. More likely, it shows Americans are

spending some of their gains from the booming

Some analysts had feared the stock market slump

from mid-July through September would dampen

On an annual basis, the rate has not been negative

rporate profits fell. inflation," said Jon Ender, at Chicago
"Markets may be a little ahead of Corp. Asset Management. "We still expect to see rates headed lower."

> Internet stocks were the biggest gainers Wednesday, especially those linked to on-line shopping.

Books-A-Million was the most actively traded stock, rising 8 9/16 to 12 15/16 after launching an expanded site on the World Wide Web to try to broaden its customer base. Egghead.com, which sells software and holds auctions on-line, rose 3 3/16 to 21 7/16, and Onsale, which also operates on-line anc-tions, rose 161/2 to 60.

Open Market, which develops electronic-commerce software, rose 5% to 12 7/16.

Newbridge Networks rose 23/4 to

U.S. Spending Again Tops Earnings

for holiday sales.

Government statistics released percent from 5.21 percent Tuesday, forecasts for the quarter that ended uesday showed that the economy "Improving business activity. Nov. 1. Strong earnings also helped doesn't always translate into higher Novell, another computer networking inflation" said least late and the latest another computer networking inflation." company, which rose % to 181/s.
Yahoo! fell % to 209% as in-

vestors took profits after the stock's recent strong gains, but most see dips in the price as a buying opportunity.

Sabratek fell 91/8 to 141/8 after the maker of therapeutic and diagnostic medical systems suspended distribution of one of its products after meeting with federal regulators. Sabratek also warned that fourthquarter results would suffer.

Johnson & Johnson fell 2 7/16 to 82 13/16 after the drugmaker warned that its 1999 profit would be less than it previously estimated. Regulators this week rejected a diabetes drug J&I was working on, and analysts said the setback highlighted the com-pany's weakness in drug research. (Bloomberg, Reuters, AP)

surveys show consumer confidence rebounded this

month after four monthly declines, a promising sign

Negative savings occurs when people finance

spending by borrowing, selling investments, with-drawing savings or cashing out part of their bome equity when they refinance a mortgage.

slow to match income growth. And since consumers

account for roughly two-thirds of economic activity, that means U.S. economic growth should slow sig-nificantly next year, they believe.

So far this year, economic growth has remained strong because of the consumer, even though the U.S.

trade deficit has been climbing toward a record.

Separately, the National Association of Realtors

said sales of existing homes in October increased 2.1

percent to a seasonally adjusted annual rate of 4.79

million. Though short of the record 4.91 million rate

in July, that still is extremely strong. As with personal

spending, home purchases are being supported by

But that cannot go on forever, analysts warn. Sooner or later, growth in consumer spending must

Against Yen

SAME.

NEW YORK - The dollar rose against the yen Wednesday amid fresh signs that Japan's economy would not soon emerge from recession and on renewed optimism about U.S. economic strength. Japanese department-store sales fell for the 18th time in 19 months, a

FOREIGN EXCHANGE

report showed, and more grim news is expected in coming days on un-employment, retail sales and hous-ing starts. In addition, Japanese political leaders are resisting calls to cut the nationwide sales tax, which many economists say would help

spark a recovery.

"Overall, it isn't a very good picture in Japan," said Robert Katz, a trader at MTB Bank.

The dollar rose to 121.705 yen in

4 P.M. trading from 121.025 yen Tuesday.

In contrast to Japan, the U.S. economy is steaming ahead in its eighth year of expansion. Personal pending and income both increased in October, while home resales rose

more than expected.

But the dollar's gain against the Deutsche mark and some other European currencies was held back after several Bundesbank officials indicated that Germany was unlikely to reduce interest rates before

the end of the year.

"Some people believe there will" be a cut before the end of the year. but I don't think Germany is looking to destabilize the euro before the end of the year," said Hugh Walsh, se-nior dealer at Commerzbank. "If Europe's economy doesn't pick up, you'll see an interest-rate cut, but probably sometime in the first quarter of next year."

Recent signs of slowing growth in Germany have heightened speculation that Germany may yet ease rates to stimulate economic growth before 11 European Union members introduce a common currency, the euro, Jan. 1. Germany's new govemment has repeatedly called for It values Ocean at \$10.81 a share, the Bundesbank to lower its repur-Seagull's closing stock price on chase rate, which now stands at 3.30 percent.

consumer spending. But the Dow Jones industrial average bounced back to set a record Monday. And Seagull to Join With Ocean in Energy Deal

HOUSTON — Seagull Energy opportunity to be a growing business Corp. and Ocean Energy Inc. agreed in a time of low commodity prices." Wednesday to merge in a stock swap valued at about \$1.1 billion, as chief executive of Seagull. low oil prices force exploration companies to find ways to cut costs and raise capital.

The Houston-based companies expect to save \$45 million a year, in all of Seagull's 63.4 million current holders will own 38.5 percent. part by cutting as many as 400 jobs, or 35 percent of the combined work

"The combination gives us the opportunity to be a growing business

Seagull will issue one new share of its common stock for each of Ocean Energy's approximately 101.2 million common shares, and shares will remain outstanding. Seagull will then change its name to

The tax-free merger will be accounted for as a purchase of Ocean. It values Ocean at \$10.81 a share, Tuesday. The new company will have a stock market value of about \$1.9 billion. Current Ocean shareholders will own 61.5 percent of the new company, and Seagull share-

Seagull's shares fell \$1.0625 to

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High Low Latest Ches Only

EUROPE

BONN - Deutsche Telekom AG, the biggest telephone company in Europe, said Wednesday that its sales fell in the third quarter as it lost ground to competitors

It was the first time that Deutsche Telekom's sales had fallen since the German telecommunications market was fully liberalized in January. Sales in the quarter slipped 0.5 per-cent, to 17 billion Deutsche marks (\$9.98 billion), from a year earlier. That comes after an increase of 4.3 percent in the first quarter and 4.5 percent in the second quarter.

Rivals have grabbed an estimated 11 percent of Telekom's long-distance market share, putting more pressure on the former monopoly to cut costs and losses in other busi-

Telekom had said last month, in a preliminary report, that its thirdquarter net income rose 31 percent to 1.05 billion DM. The company said Wednesday that nine-month net income rose 24 percent, to 3.04 biliion DML

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Its shares, however, dropped to 47.40 DM, down 0.95, after Telekom said the profit margin in its mobile phone operations shrank to 15 percent in the first nine months from 22 percent for all of 1997. The company attributed the lower return to price cuts of as much as 63 percent as it seeks to overtake Mannesmann G, which operates the largest mo-tile phone service in Germany.

Telekom is preparing to slash prices biggest carriers will not exchange percentages to try to regain customers lured by its new rivals' discounts. Ron Sommer, the chief executive, said the may lead to a joint management company was forced to adopt its com- structure for shared operations. petitors' bargain-basement strategy after losing more long-distance mar-ation of two companies to control ket share in 1998 than expected. passenger and freight, according to

Bouygues Shareholder Backs Out

Bollore's Cancellation of Pact Opens Door for New Suitors

PARIS — Vincent Bollore, a mobile phones, through its brothers said they welcomed Mr. French business executive, said Bouygnes Telecom SA unit. This Bollore's decision. stake in Europe's largest construc-

The pact, which had been scheduled to hold force for five years. capped Mr. Bollore's stake in Bouygues at 14 percent

Shares in Bouygues rose strongly, closing at 1,115 francs (\$194.70), up 35, because Mr. Bollore's exit might allow others to buy into the company, whose in-terests range from water utilities to telecommunications.

"The battle for Bouygnes con-trol appears open," said Marie-Christine Livinec, an analyst with

Wednesday he was canceling a one-summer, the construction comyear-old pact with Borrygnes SA's pany's chairman, Martin Borrygnes, management, opening the door for and his brother Olivier asked the potential suitors interested in a Paris commercial court to declare void the pact they signed last December with Mr. Bollore.

A sign that the commercial court could rule against Mr. Bol-French stock market regulator said adopted a strategy to force the it did not consider that Martin breakup of Bouygues. Bouygues and Mr. Bollore were acting "in concert." The court stake beyond the 14 percent level

the pact Dec. 3. Mr. Bollore's decision to cancel the accord suggests that he ex- Paris brokerage said. pected the Paris court to rule against him, analysts said.

"The Bollore group decided to KBC Securities.

The two sides have been at odds garding Bouygues's capital," Mr. since the spring, after Mr. Bollore Bollore's holding company said.

The brothers have 14.6 percent of Bouygues's capital and 22.6 percent of its voting rights. Mr. Bollore had 12.4 percent of the capital and 10 percent of the voting rights at the latest official count, in October.

Some analysts said Mr. Bollore came this month when the lore's move may mean he has

"Now Bollore can increase his was scheduled to have a hearing on and move to break up the company as he has always planned to do or sell to someone else," a trader at a

But not all analysts think that conflict over strategy will come to a head, and some even think that discord could end and Bouygues firmre become more harmonious. (Bloomberg, AFX)

KLM and Alitalia to Form Alliance

AMSTEL VEEN, Netherlands KLM Royal Dutch Airlines NV and share marketing, ticketing and fuel joint fuel purchases.

costs in an alliance that stretches The carriers "war

Europe's fourth- and seventhwill see them act as a single unit for passenger and cargo operations and

The alliance will involve the cre-

Alitalia SpA are to agree Priday to frequent flyer programs and make KLM did not give an estimate.

The carriers "want to bundle as many activities together as possi-ble," said Richard Brakenhoff, an analyst at Kempen & Co. in Amcan work together first and then a merger could be a possibility."

Airlines are relying more on alliances that allow them to boost profit as the Star Alliance, the world's and expand their networks without long-distance mar- ation of two companies to control having to invest in another carrier. Lufthansa and United Airlines, at 98 than expected, passenger and freight, according to Alitalia said a pact with KLM to Oneworld, which counts Briti (Bloomberg, AFX) Alitalia, extending cooperation fur- share cargo traffic to 16 cities and Airways and American Airlines.

High Low Class Prov.

ther than groupings like the Star passengers on long-haul routes will Alliance, whose members can sell save it 50 billion lire (\$30 million) seats on each other's flights, link next year, close to I percent of sales.

Trouw, a Dutch daily, has reported that both carriers will save a total of 730 million guilders a year (\$380 million) from the alliance, citing two internal reports in each in the long-distance trade by similar equity stakes under the pact, which sterdam. "They want to see if they company. KLM and Alitalia declined to comment on the report.

The KLM-Alitalia linkup aims to hit straight at rival associations such biggest grouping, which includes Lufthansa and United Airlines, and Oneworld, which counts British

High Low Clase Prev.

High Low Clase Prev.

Primakov And IMF Stay at Odds

MOSCOW — Prime Minister Yevgeni Primakov vowed Wednesday to take tough measures to end Russia's economic crisis, but the International Monetary Fund's Moscow representative said the IMF wanted more evidence Russia was ready to tackle its chronic problems.

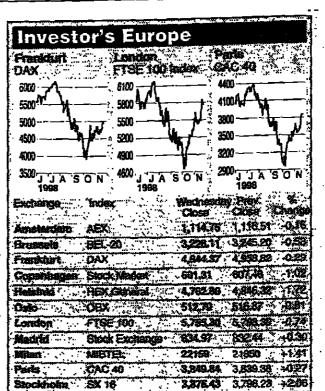
In a further sign of the depth of Russia's crisis and its needs for foreign assistance, Deputy Finance Minister Mikhail Kasyanov said Moscow would be able to repay less than \$10 billion of the \$17 billion of its foreign debt that came due next vear. Mr. Primakov did nothing to play down the depth of the crisis in his televised remarks, but he said he still believed the answer to Russia's economic problems lay in increas-

ing state intervention. Mr. Primakov offered no new proposals for turning the economy around. His comments on the econ-omy also clashed with the position of the IMF, which opposes strengthening the role of the state and fears Mr. Primakov is steering Russia away from economic reform. The IMF failed this week to reach agreement in Moscow on policies that might lead to new credits.

Martin Gilman, the IMF's representative in Moscow, said the Fund wanted to see a program that would inspire confidence in the government's ability to tackle social and economic problems.

■ Deal on Soviet-Era Debt

The London Club of bank creditors, representing holders of Russia's restructured Soviet-era debt, agreed to let Russia pay \$216 million of a \$940 million debt payment due next Wednesday in cash, with the remainder to be paid with new interest-arrears notes, Bloomberg News reported from Moscow.



Very briefly:

Ferms

Sydney

 DaimlerChrysler AG plans to invest 900 million rand (\$158 million) to expand its Mercedes-Benz plant in South Africa, a move that is expected to bring growth to the region and jobs for an estimated 10,000 people.

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British Petroleum Co.'s shareholders overwhelmingly approved its planned takeover of Amoco Corp. of the United States. Amoco's shareholders are to vote on the deal Dec. 10. • Emerson Electric Co. agreed to buy the 49 percent of in Astec (BSR) PLC that it did not already own for 85 pence a share, more than twice the British electronics company's current market value. The recommended offer values the whole company at £265 million (\$440.3 million).

· Britain's trade deficit widened to a record £2.50 billion in September from £1.28 billion in August as the strong pound and the slump in world markets reduced international demand for British goods.

 Carlton Communications PLC, Britain's largest commercial-television broadcaster, named Steven Cain as its chiefexecutive beginning next year, ending a search that began in September, Mr. Cain, 34, now works at Asda Group PLC as a marketing director.

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AOL's Master of Deals: A Low-Key Pioneer

By Mark Leibovich ashington Post Service

WASHINGTON - Steve Case has always been one of the most unlikely pioneers on the Internet's

In a medium moving at a dizzying speed, he has been seen as a Barksdale, and the chief executive deliberate leader, more a management wonk than a technology-ori-ented "geek." In an industry Jobs of Apple Computer Inc., Bill has become the premiere the Internet space, said John Gates of Microsoft Corp. and Lou the Internet space, said John Sidgmore, chief executive of Sidgmore, whose best-known figures — Stev Machines Corp. — are known as strong personalities, Mr. Case is a cool, consensus-building chief ex-

But now, Mr. Case, the chairman and chief executive of America Online Inc., is at the center of the most significant strategic alignment since the Internet was popularized in the middle of this decade: the alliance of AOL, Netscape Communications Corp. and Sun Microsystems Inc.

Steve Case will never be mentioned with Bill Gates and Steve Jobs as a visionary or inventor. Paul Noglows, a technology-industry analyst at San Franciscobased Hambrecht & Quist, said after the alliance was announced. 'But when our children read about the history of the Internet, they're going to be reading about Steve

Mr. Case was clearly the man at the more often and commandingly than the Netscape chairman, James Sun Microsystems, Scott McNealy, both normally more ex-

uberant types.
"I think it's clear that Steve Case UUNet WorldCom in Fairfax, Virginia, who has known Mr. Case for

No one can claim greater re-sponsibility than Mr. Case for the commercialization of the Internet Mr. Sidgmore said. With the AOL Netscape-Sun deal, Mr. Case succeeded where many have failed by marrying, at least for the moment, industry titans that have played radically different roles in shaping the

'This will be biggest single development in the maturation of ecommerce," Mr. Sidgmore said of

The Internet, he said, was developed by many small companies, all focused on their own distinctive bits and bytes, but now, "For the first time ever, you'll have a diverse family of products and technologies under the same umbrella."

purchase of Netscape for about disparate entities together. Born in \$4.2 billion in stock, showed that. Hawaii, he majored in political science at Williams College in Mashelm of the proceedings, speaking sachusetts and cut his teeth not in an engineering laboratory but as a marketing executive at PepsiCo

In a realm defined by dizzying rechnological change and turn-onthe-dime decision-making, Mr. Case is said to have never lost sight of long-term views and forging

He is described as the technocrat politician more than the entrepreneur. This approach might not be as glamorous, but it may be better suited to long-term success, friends

"Other technology executives seem to have blinders on," said George Vradenburg, AOL's general counsel. "Steve has 360-degree vision. He integrates a lot of views when he's making decisions."

While Mr. Vradenburg describes
Mr. Case as "paranoid" about

what AOL's competitors are doing — a kind of badge of honor in technology after the Intel Corp. chairman, Andrew Grove, titled his autobiography "Only the Paranoid Survive" — he said Mr. Case never

But Mr. Case can match the monomaniacal credentials of any

The announcement Tuesday of Lt took a personality like Mr. pany," said James Kimsey, AOL's the deal, which includes AOL's Case to bring these powerful but chairman emeritus and founder. Mr. Kimsey added that Mr. Case was "much more at home behind a

keyboard than a podium. Mr. Case had a boyhood dream of building a company that shaped said. The latest deal represents its most dramatic manifestation.

"I've always respected that Steve has never sold out along the way," said Mark Warner, managing director of Columbia Capital Corp. in Alexandria, Virginia.

"A lot of companies and a lot of

CEOs might have declared victory a long time ago and moved on,"
Mr. Warner said. "But he has stayed to true to his vision. Mr. Warner called the deal that was announced Tuesday the best

example of Mr. Case's "stepping up to the plate." Mr. Case assiduously shuns any discussion of his personal role in bringing together two Silicon Valley powerhouses, Netscape and Sun, or his place in the building of

the Internet "This is less about Steve Case," he said briskly in an interview Tuesday, "When the dust settles, hopefully, people will look back evolve with the industry and the and say that we built a medium we can all be proud of.'

In recent months, friends say. Mr. Case has paid closer attention executive, some say. "The man to AOL's role as a cultural, political eats, sleeps and drinks this com- and social phenomenon. He has



Steve Case is clearly at the belm of the proposed alliance.

become more visible in local polittechnical advisory board to the governor of Virginia, James Gilmore — and many of AOL's senior executives have become ac tive in civic and technology ad-

vocacy groups.

Mr. Case said this activity had been driven by a growing awareness of the Internet's power in shaping the world. He is trying to era, he said.

But when asked whether the Netscape deal, with all its possible bearing on his own life. Mr. Case

AOL: New E-Commerce Leader Continued from Page 13

Chief among them is whether it can appear to have consistency, focus and follow-through that corporate cus-

"AOL is not the first company that comes to my mind when it comes to business-quality software," said Robert Chatham, a senior analyst with Forrester Research.

Its decision to keep Netscape as a separate unit and offer electronic-commerce services in partnership with Sun will not enhance its credibility, Mr. Chatham said. "America Online doesn't look like a homogenous vendor," he added. "It looks like customers will have to tangle with a menage a trois of AOL, Netscape and Sun."

Nor have internet service providers and other telecommunications-oriented companies shown much evidence, Ms. Gere of International Data said, that they are capable of offering the highly specific customized services that big corporate clients demand.

Telecommunications companies that try to do things efficiently for a large number of customers have not been able to offer customized one-to-one relationships," she said.

Mr. Pittman, the AOL president, said his company had been driven to the e-commerce business because companies the approached it wanting to sell their goods needed more it than simply advertising on-line. "We are finding people who are expert in running bricks and mortar stores are limited by their infrastructure," he said "They have an on-line store, but

their square footage is too small." Even before the Netscape deal, America Online was moving to provide some electronic commerce software and services. It has been rewriting the software that lets companies open on-line stores to be based on universally accepted internet standards. rather than the specific computer language used only on America Online. This new software, which now will be combined with Netscape's on-line store services, will be available for

companies to use both on America Online and on the Internet. Similarly, AOL has developed a service that lets users create a file with their credit card numbers and shipping address so they can make on-line purchases without retyping all that information each time. America Online is working to offer it — for a fee — to stores on the broader Internet.

Some competitors worry that America Online's electronic commerce services may simply be a device to sell its software. and hardware. 'The challenge is to prove that chents are getting the best possible solution for their business," special Robert Gett, the chief executive of Viant. "If they offer A and Netscape and Sun, their answer is a bit tainted."

LEADING POSITIONS

Where does Paribas stand, one year after completing the largest ever restructuring operation in the history of the French banking industry?

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BANKS: Europe Looks Abroad

Continued from Page 13

speculation about other big deals. Dresdner Bank AG, which owns the investment bank Dresdner Kleinwort Benson, has acknowledged that it is interested in American acquisitions... Other institutions may feel pressure too, analysts said. Credit Suisse Group conducted talks with Chase Manhattan this year. UBS, which is still struggling to reorganize after its merges with Swiss Bank Corp., may still have an appetite for a U.S. investment bank. Though UBS has an American base in asset-management, Warburg Dillon Read, its investment banking

business, is not in the top tier of Wall Street firms.

Behind the chess-like machinations lie deeper problems. Except for Credit Suisse Group, which owns Credit Suisse First Boston, European commercial banks have had little success. when they have bought Wall Street investment banks. Investment banking, with its reliance on superstar dealmakers and stratospheric salaries, remains alien to the stodgier "universal". banks that are built around traditional lending activities.

"It's an open question as to whether the endgame of containing the two things under one roof is workable," sail. Clans Lowe, chamman of J.P. Morgan & Co.'s German office.

sment banking are just so different."

Analysts and industry executives have been almost unit. formly critical about Deutsche Bank's attempt to buy Bankers rust, which derives most of its income from investme banking activities but is not big enough to compete directly with Wall Street's biggest firms.

"It is the management challenge from hell," said Peter Thome, a banking analyst at Paribas Capital in London in European banks and insurers may well be more focused on deals with one another than with Wall Street firms. Manyo institutions have become fixated on the idea of marketing banks services and insurance through the same channels, and European insurers have a web of cross-shareholdings with banks.

For instance, Commerzbank AG, Germany's fourth-larges bank, recently exchanged a 5 percent stake with Assicurazion Generali SpA, a big Italian insurer. Besides giving both companies new channels to market their products in Europea many bankers say the deal provides Commerzbank with

white knight to fend off takeover attempts. But so far, most of the big deals have been between banks; within individual countries. In Italy, Credito Italiano Spar. acquired the rival Unicredito for about \$7 billion this year. The two biggest banks in the German state of Bavaria, Bayerische. Vereinsbank AG and Bayerische Hypotheken. & Wechseln Bank AG, merged to form Bayerische Hypo- & Vereinsbank AG in a deal that created Germany's second-largest bank-Several Scandinavian banks have reached deals to merge.

The action is not over. One of the most aggressive banks in recent years has been ABN-AMRO, which has acquired busirecent years has been ABN-AMRO, which has acquired ousinesses in most European countries and unsuccessfully alternated a \$12 billion hostile takeover of Generale of Belginni, ABN has bought up smaller banks and brokerage firms across Europe, and it acquired a Michigan based savings bank, Standard Federal Bancorp., for \$1.9 billion two years ago.

With total assets of about \$500 billion, the Dutch bank is now in the same league as Germany's biggest institutions.

In some countries, political obstacles continue to block many bank mergers. In Germany, 80 percent of the sank industry is controlled by either nonprofit cooperatives or lister owned institutions. Private banks such as Deutsche Bank and Dresdner Bank AG are essentially prohibited from buying these institutions.

In France, government leaders continue to block foreign banks from taking over French institutions. Even loss-plagueds Credit Lyonnais SA, which the government is desperately! trying to sell, remains off limits to banks from other European

countries.

"France in a way is a closed shop," said Michael Klein, to German bank analyst at Sal. Oppenheim in Frankfurt. "They don't want to sell their silver to foreigners, but they don't have enough money to really enter Germany."

KOREA: In 'Severe' Recession

Continued from Page 1

after the International Monetary Fund pieced together a package of nearly \$60 billion in loans. But it is now living under austerity conditions as a result.

The prospect of a continuing recession contradicted upbeat reports from South Korean officials, who have cited foreign-exchange reserves of more than \$45 billion and a stable currency as indications of recovery.

The IMF and the Seonl government have predicted that the economy will shrink as much as 7 percent this year. So far this

year, it has shrunk 5.9 percent. "The economy at this stage is not showing signs of a tomaround," said Hank Morris, a financial consultant. "They

seven't started retooling their industry." The Bank of Korea cited rising reinctance among Sou Korean consumers to spend money and a regimen of st

cost-cutting by manufacturers as reasons the economy. mained in the depths of recession. "Dragged down by a persistent reduction in household spending," the report said, "private consumption showed \$12 percent decrease." Other major factors were a 73 percent memployment rate and 21,000 bankruptcies this year.

Many foreign analysts predict that South Korea will not ecover from recession until after 2000, as it battles to pay ebts and keep pace with competitors in Japan and the Wes

Pakistan to Avert Default With IMF Bailout

Compiled by Our Staff From Disputcher ISLAMABAD - Pakistan and the International Monetary Fund agreed Ishaq Dar said. Wednesday on a \$5.5 billion rescue

in Specifical

No.

الم يوران

The IMF package will enable include structural reform in the bank-Pakistan to avoid defaulting its \$32 ing sector, tax reform to increase the somic uncertainty during which well as a provision to try to reduce repayments due this month, analysts Pakistan's stock market plunged to corruption record lows, foreign investment dried

2: The package includes \$3.5 billion

5. TAIPEI — The government took

over the management of Taiching

Business Bank on Wednesday and

barred its chairman from leaving the

country after the regional bank made

hans to six companies connected to

. An investigation into the matter.

which follows the collapse of two

iswering by Moody's Investors Ser-

'abnormal withdrawals" Wednesday

and \$400 million in loans from in- Pakistan despite sanctions imposed rebounded on news that the finance

The deal still requires final approvpackage, ending months of negoti- al from the IMF board of directors.

up and jittery Pakistani investors Mr. Dar said "It has not been imported from any other country."

in loan restructuring, \$1.33 billion in package was removed earlier this gering a recession and political unkians from the IMF, the World Bank month when the United States agreed and the Asian Development Bank, to support a one-time deal for

Taiwan to Run Bank Amid Inquiry

by depositors. The loan was made "to stabilize its finances and safeguard de-

positors' rights," the central bank said,

and will be collateralized with reserves

Taichung Business Bank lent 10.3 billion dollars through its Taipei

branch this month, a fivefold increase

from the previous month, according

that went to six companies linked to

analyst at Fubon Securities Invest-

While the losses won't sink

kept at the central bank.

dividual countries, Finance Minister on both Pakistan and neighboring India after the nuclear tests in May.

The country needs new money imations that stalled after Pakistan car. The bailout package also comes serves have plunged to about \$400 fed out nuclear tests in May with a number of conditions, which million after the economic sanctions. mediately as its foreign currency recrimped the flow of dollars to the Billion debt and ends months of eco-country's tax base and revenue as dollars to pay the \$1.5 billion in loan country. Pakistan did not even have

> A failure to get IMF funds could have resulted in a default on billions of dollars in debt, pushing the rupee The biggest hurdle to the bailout and the stock market lower and trig-

rest, analysts said. After starting the day lower, stocks

Taichung, other banks face "latent problems" with such lending to

Taichung was placed under the control of the Central Deposit In-

surance Corp., a government agency

that guarantees bank deposits, and the

bank's chairman, Tseng Cheng-jen

will not be allowed to leave the island

until the investigation is complete,

Mr. Tseng is also chairman of Kwang San Group, which last month

took a controlling stake in Commer-cial Bank and replaced some of its

Finance Minister Paul Chiu said

Taichung Business Bank was sound,

with a capital-adequacy ratio of 13.8

the Ministry of Finance said.

board members, analysts said.

hareholders, she said.

minister was about to announce the In Tokyo package. The benchmark Karachi Stock Exchange Index of 100 shares

climbed 2.52 points to 1013.75. Mr. Dar said the deal was good news for Pakistan and would not result Stock Exchange's futures and in a further devaluation of the Pakistani rupee, which now stands at Wednesday for a second con-56 rupees per U.S. dollar in the open secutive day as a computer market.

He said Pakistan had shelved an earlier agreement for \$1.5 billion minute of business. from the Islamic Development Bank because the conditions were very harsh." He said the interest rate being charged by the Islamic Development Bank was too high. (Bloomherg, AP)

■ Japan's Economy Faces Dip

The International Monetary Fund of the exchange. projects Japan's economy will contract most 3 percent this year as the country tries to pull itself out of recession, according to Michel Camdessus, the difficulties associated with IMF managing director, Bloomberg News reported from Madrid.

"We think this year is going to be seriously negative, almost 3 percent negative," Mr. Camdessus said in a speech to a financial conference. We expect next year will be just

around zero" growth. That is worse than the IMF projected two months ago when it said Japan's economy would contract 2.5 percent this year and post 0.5 percent growth in 1999.

toward recovery the following year lest the system sufficiently.'
but this isn't certain," Mr. Camdessus said. "This creates obviously a not very promising situation for the countries of Asia that need Japan to get them out of grave" economic difficulties, he said.

New Glitch Hits Trading

TOKYO - The Tokyo options trading system failed programming error shut down trading in the last

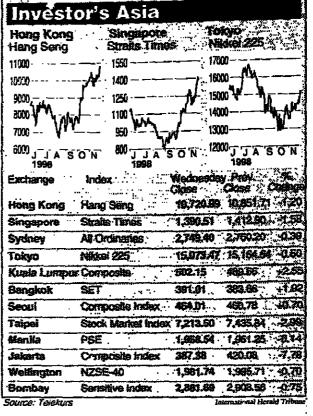
The glitch prevented the exchange from setting a closing price on Japanese government bond futures for December delivery, said Mitsuru Suyama, director of the trading systems department

The exchange recently upgraded its derivatives trading system to address technical the year 2000 computer bug.

Persistent systems failures would be a serious blow to the exchange, which is preparing for looming competition with privately run electronic trad-

We're planning a thorinspection. Suyama said.

'We introduced the new system confident there'd be no problems, but in after-"We expect the trend will continue thought it seems we didn't The problem Wednesday occurred when a routine process involved in setting the closing price on the bond futures contract failed.



a report from programmers at Wednesday, Mr. Suyama said; Hitachi Lid., which de- it probably had nothing to do veloped the computer system, Mr. Suyama said, adding that trading halt Tuesday. the exchange planned to remenable normal bond futures

trading Thursday. tures and options contracts on ent servers at brokerage furns government bonds and stock that are members of the indexes was suspended soon

after trading started.

While exchange officials may have been related to tests. were not immediately able to conducted over the weekend. The exchange is waiting for find the cause of the failure they said.

with the bug that caused the.

That problem was caused edy the problem overnight to by a glitch in the computer. program that controls transmissions between the ex-On Tuesday, trading in fu- change's host server and cli-Tokyo market, exchange of-

the unlisted Kwang San Group, which has a controlling stake in the bank. "The money lent to the six compawite Inc. of credit ratings on 10 Tai-wan banks, helped send bank stocks trambling and sparked a 3 percent fall nies — that money won't be coming back," said Jenny Huang, a banks m the benchmark stock index. 5 Tarwan's central bank lent the bank

2 hillion Taiwan dollars (\$277.4 mil-analyst at Fubon ment Trust Co.

which follows the collapse of two to local news reports. The Finance Canwan finance companies and a Ministry said 7.45 billion dollars of

GM: Opels for Thailand

Motors Corp. said Wednesday that its new plant in Thailand would produce Opel cars when it opened in mid-2000.

. The world's largest automaker said it would announce delayed entry into a country Monday which of the models designed by its German-national rivals already have based Adam Opel AG unit the That factory will build.

GM has been slow to de-by Toyota Motor Corp. and cide exactly what to do with Isuzu Motors Ltd., hold a 90 its new Southeast Asian production hub as recession

The company has also GM's plant is in Rayong, taken its time deciding what about 120 kilometers (75 plans for a midsized Opel in the same industrial park as serian, but reports this year a \$500 million joint venture suggested it was learning to- between Ford Motor Co. and sibly a small utility vehicle.

it was re-examining the makes pickup trucks, choice because an Opel might Volkswagen AG las

Very briefly:

steel-products division by 14 percent.

company said Wednesday BANGKOK — General that the "first car produced in the GM Thailand assembly center" would be an Opel.

GM picked Thailand two years ago for the plant, over the Philippines, making a where a dozen of its interproduction facilities. Japanese automakers, led

percent share of the Thai market. Vehicle sales in the coundeepened across the region. It try fell by two-thirds in the mittally planned to invest first 10 months of this year, \$750 million in the plant but though sales rose 23 percent get that by a third. It then put , — their largest mouthly gain such the opening by a year. in two years — in October.

ward something cheaper, pos Mazda Motor Corp. The sibly a small utility vehicle. Ford-Mazda factory opened In May, the company said about three months ago and

Volkswagen: AG last month be too expensive for weak surpassed Opel as the best-Asian economies. But the selling car brand in Europe.

Broken Hill Proprietary Co. predicted its first-half profit reguld fall "significantly" because of a production stoppage It its Bass Strait oil fields and a slump in steel demand and

commodity prices. BHP has cut production at its Australian

· Paber Group Bhd., the hotel arm of Renong Bhd., Malayset's biggest industrial group, rejected an offer from Hilton International Co. to buy two of its Sheraton hotels, saying the

price was too low. Faber aims instead to raise as much as 600 million ringgit (\$158.3 million) through the sale of bonds that could be exchanged for Faber shares in five years.

Esprit Holdings Ltd. plans to take advantage of falling rents in Asia to about double the size of its 293 stores in the region. The Hong Kong-based company is also slashing prices by as much as 40 percent in some Asian markets.

• GIO Australia Ltd., a general insurer, won the latest round in its battle to fend off a bid by AMP Ltd. as a court tuled the country's largest life insurer had issued "misleading" takeover documents. AMP is offering 3 billion Australian dollars (\$1.93 billion) for GIO.

Compaq Computer Corp. remained the largest personal-configure vendor in Asia, with 9 percent of the market, followed by International Business Machines Corp. with 8 percent and Legend Holdings of China with 6 percent, according to International Data Corp. Unit sales of computers in Asia fell 2.3 percent in the third quarter from a year earlier.

Northwest Airlines Corp. would be a better partner for Philippine Airlines Inc. than Cathay Pacific Airways Ltd. Philippine government official said. A proposed would a Philippine government official said. A proposed alliance with Cathay ran into problems this week over conditions improved by the Hong Ross carrier.

ditions imposed by the Hong Kong carrier. Bloomberg Renters

advantages such as these, the future is bright.

A specialized INTERNATIONAL BANK, **COMMANDING** LEADING **POSITIONS** IN EUROPE.

The merger with Compagnie Bancaire (Cortal, Cardif, UFB Locabail, Arval, Cetelem, UCB and Banque Directe) has redefined Paribas' corporate structure. The largest restructuring operation in the history of the French banking industry (FRF 25bn), this merger has strengthened Paribas in its different business activities. Paribas, an international bank, present in more than 60 countries, has adopted a strategy of specialization in growth markets. Its three core business lines - Investment Banking, Asset Management and Retail Financial Services - offer risk control and diversification accross geographies and products. One month before the introduction of the euro, Paribas has the means and the financial resources to build a business capable of generating future growth for its shareholders.

A great business base, a great place to enjoy pattire Saxony's Switzerland and Dresden right next do e-Mail: lra-pir@dd_sda_de

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U.S.

Investing Isn't Child's Play, but There Are Ways to Get Them Started

By Jane Bryant Quinn Washington Post Service

WASHINGTON - Mutual funds in the United States are pitching to parents, urging them to teach children about investing through special "kid investment programs.

But parents should think about it before they climb aboard, analysts say. In fwo of three cases, the "kid" bit is a marketing ploy. The funds are exching their brand name into tomorrow's consumers. And they are angling for parents for grandparents) who are planning to make college investments. But if all you wan: is to give your children a start, there are other ways. The children's funds do offer some colorful educational matefinls. But to cover the cost, they charge

higher expenses than average. The mutual fund that is the most focused on children is the 15-

month-old First Start from USAA in San Antonio (telephone number 1-800-531-0553 in the United States). It looks for companies whose products or services children might know.

There are familiar names: Gap Inc., Hershey Foods Corp., Walt Disney Co., Microsoft Corp., McDonald's Corp., PepsiCo Inc., Campbell Soup Co. Other stocks will be mysteries, however, un-less children look them up (Medironic Inc. for pacemakers; Schlumberger Ltd. for oil-drilling equipment).

The prospectus is written as clearly as these things get — although it is still parent material, not for 10-year-olds. "Your life is full of all kinds of real

WALL STREET WATCH

cool stuff," writes Curt Rohman, the 35-year-old fund manager, as he introduces two of his stocks. "Are you jammin' to the tunes with Clear Channel Communications?" (a company that 'owns a ton of radio stations").

Minimum investment: \$3,000 for individual accounts, \$250 in custodial accounts for minors, \$20 a month if the money is moved automatically from your bank account. Annual expenses: 1.65 percent.

The four-year-old Young Investor Fund from Steinnoe in Chicago (1-800-338-2550) comes with an activity book (money games for parents and children),

and other educational materials. 'In all frankness, maybe we should have called it just the In-

vestor Fund, because the parents read the material as well and need edu-cation just as much as the kid," says Erik Gustafson, 35, co-manager of the fund. This fund invests in Steinroe's nor-

mal Growth Investor Portfolio, which does not specifically search for childfriendly stocks. Steinroe says only that 65 percent of the portfolio is invested in companies that "directly or through one or more subsidiaries affect the lives of young people.''

So the newsletters, not the funds themselves, are really the kid stuff. Minimum investment: \$2,500 for an individual account, \$1,000 for a custodial

month, for an automatic investment plan. Annual expenses: 1.43 percent.

Both First Start and Young Investor are no-load funds, meaning there is no initial sales commission. But their ex-penses are higher than those of other large, no-load growth funds.

American Express Financial Advisors provides a program called "Kids, Parents and Money" to investors in its 30-year-old IDS New Dimensions fund. American Express touts the fund as having child-friendly stocks. In much, it is an ordinary growth fund that owns Nike Inc., Coca-Cola Co., Mattel Inc. and other names children might know.

Minimum investment: \$2,000 for individual accounts, \$500 for custodial accounts, \$100 a month for automatic

a newsletter with adult vocabulary account; \$100, followed by \$50 a investment plans. New Dimensions is a load fund, meaning that sales commissions are built in.

Gregory Galecki, a planner at Galecki Financial Management in Fort Wayne, Indiana, says that if you want to teach kids about stocks, give them Mc-Donald's or Disney shares and let them follow the company. If you want them to learn about managers and long-term in-

vesting, go to mutual funds.
Carol Wilson, a planner at Wilson
Financial Advisors in Salt Lake City, says that she uses Steinroe Young Investor to get kids' attention but that any

long-term growth fund will do.

Ms. Wilson suggests: Buy your child shares in your own mutual fund, so you'll have a common investment to talk about.

Small-Cap Rally Loses Steam

Funds in the Shares Are Down 2.67% in 13 Weeks

By Ianthe Jeanne Dugan Washington Post Service

NEW YORK -- Has the 15 minutes of fame come and gone for Wall Street's small stocks? In October small-caps, laggards since 1994, were suddenly the darlings of Wall Street. After hitting their lows Oct. 8, the Russell 2000 index of small-company stocks surged 28 percent in just 20 trading days, outperforming big companies by an average of 10 percentage points. It was the biggest spurt in such a short period since the index was begun by Frank Russell Co. 20 years

"It looked as if market leadership had reversed and small stocks were finally going to have their day in the sun," said Paul Greenwood, who is director of small-capitalization invest-

fnent for Russell. But the glory was short-lived. Since the beginning of November, small stocks have given back about 3 percent of the gains, while bluechips surged back to health. The Dow Jones industrial average hit a record high Monday. Although small stocks generally have greater growth in earnings, they lack what Wall Street professionals call liquidity - the ability to easily

prices. "Professionals buy with one eye on the door," said Michael Lipper of Lipper Analytical Services Inc. "They want to be able to get out

In the last 13 weeks, he said, growth funds were up 3.08 percent, while funds invested in midsized companies were up 0.42 percent and small-cap funds were down 2.67 percent. "You can see size still makes a huge difference," Mr.

But Mr. Lipper predicted that if the market turns down again, the liquidity for big-company stocks would dry up, because everybody would be trying to sell at the same time. "But the decline we had

wasn't long enough or steep enough for something like that to happen," he said. Following three interest rate cuts by the Fed-eral Reserve, the Dow industrials are up about 18 percent for the year. The Russell 2000 index is

still down more than 9 percent. "It seems to have become a rest period for small stocks," said Jonathan Steinberg, a New York investor who recently began Indi 500, a small-cap fund that invests in companies whose market values are \$100 million to \$2 billion.

At the beginning of the year, Mr. Steinberg said, the fund outperformed the market. But recently it has been in lockstep with the Russell

U.S. Company Insiders Actively Buy Shares

NEW YORK - U.S. executives are buying shares in the companies they work for at the strongest pace in almost eight years, even

as the stock market reaches new highs. Company insiders — executives, directors and big individual investors — started snapping up shares when the stock market bottomed out in August and September. They continued to buy at about the same level as the Dow Jones industrial average rebounded

and rose 20 percent in six weeks. Typically, insiders sell shares more than twice as often as they buy. But over the past eight weeks, insiders have been buying shares an average of almost twice as often as they have been selling, according to Richard Cuneo, editor of the Vickers Weekly Insider Report. Analysts said this could be a sign the stock-market rally will last.

2000. "There's still this liquidity-driven nature of the market," he said.

Small-company stocks tend to do better at the beginning of an economic recovery. And since the last quarter of 1994, small-caps have been lagging, as baby boomers poured money into compames with names they knew and foreign investors gobbled up household names. "It's been downhill ever since then," Mr. Greenwood said.

Mutual Funds Find Favor Again

Investors Pour Into U.S. Equities as Stocks Near Records

By Edward Wyatt

NEW YORK - U.S. matual-fund investors had little stomach for making new investments while the stock market was jittery and share prices were down, but money is flowing intoequity funds again now that stocks have returned to near-record territory.

The Investment Company Institute, a mutual-fund trade group, reported Tuesday that \$2.5 billion flowed into stock funds in October, the

second-lowest monthly total in seven years. Nearly all the money flowing into equities this month continues to go into funds that invest primarily in American stocks; international funds, which suffered net withdrawals in each of the past three months, appear to be barely break-

ing even in net flows. October was the third consecutive month of reatly reduced cash flows for stock mutual funds. After receiving an average of \$21 billion in net new investments in each of the year's first seven months, mutual funds lost \$11 billion to investor withdrawals in August, then saw \$6.3

billion of new cash investments in September. But after stock prices continued their rebound

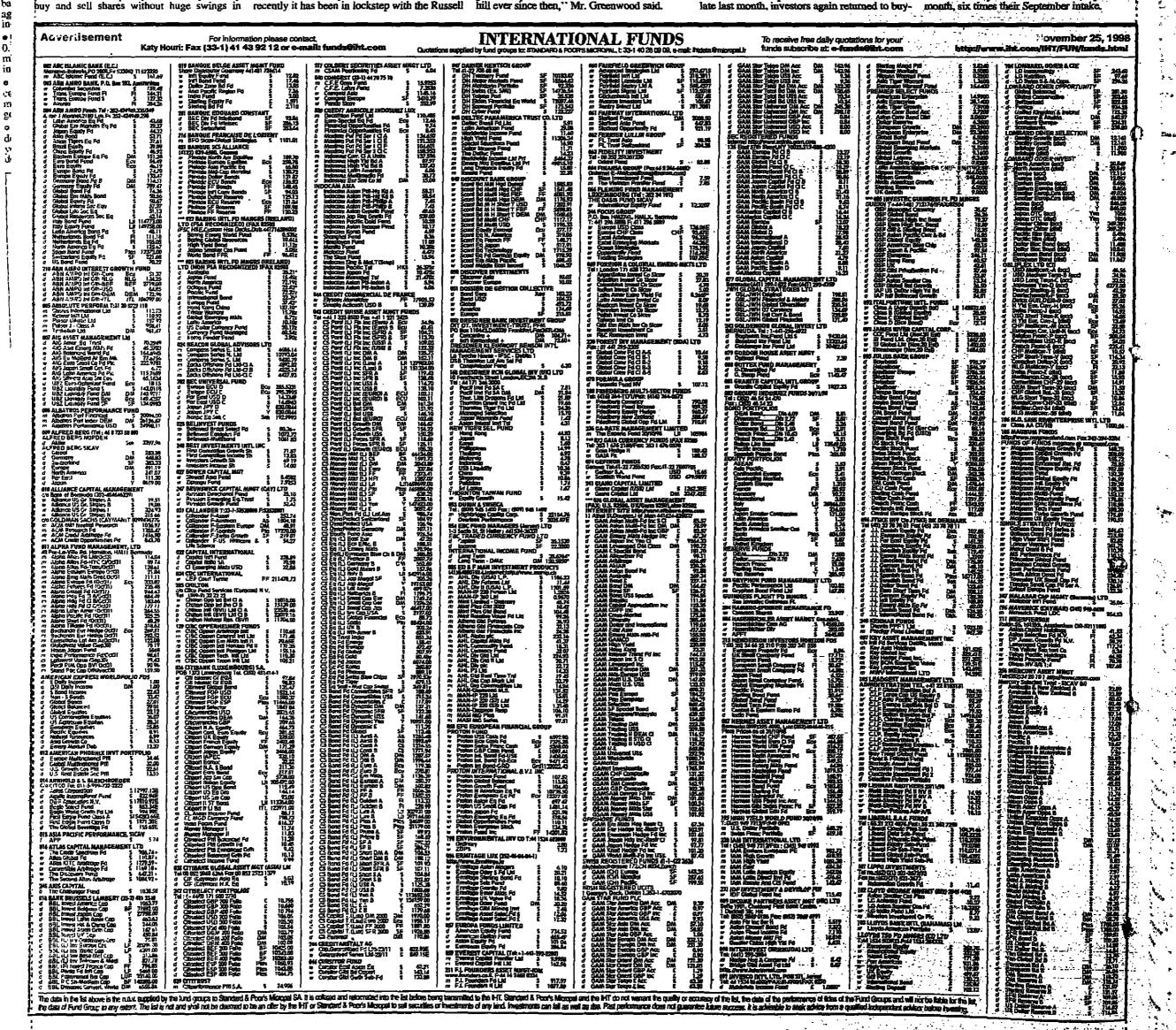
ing fund shares. Through Monday, stock funds were receiving new investments at a monthly rate of nearly \$13 billion, according to Trim Tabs Financial Services, which tracks mutual-fund cash flows.

Moreover, several of the largest sellers of muntal funds reported significantly stronger cash flows. Charles Schwab & Co. has sold about \$1.75 billion of stock funds to investors this month, it said Tuesday; in the previous two months, money flowed out or measured just a few million dollars of net deposits.

Both Fidelity Investments and Vangua Group also have reported heavy purchases U

stock funds so far this month. As the stock market gyrated from August into October, mutual-fund investors demonstrated a growing interest in bond funds, generally a more conservative category of investments. Last month, bond funds had \$4.6 billion in net new

deposits, down from \$5.6 billion in September: Hybrid funds, which invest in stocks and bonds, saw investors withdraw \$258 million last month, compared with withdrawals of \$518 million in September. But money-market funds, generally the safest place for mutual-fund investors received nearly \$46 billion in new deposits last month, six times their September intake.



Pipeline to Link Russia to Caspian Oil Deal With Kazakhstan Aims to Rebnild Moscow's Credibility

By Michael R. Gordon
New York Times Service

MOSCOW — Russia, Kazakhstan and major oil companies have agreed to huld a multibillion-dollar pipeline to the oil-rich Caspian Sea region.

The project is scheduled to be com-

pleted in 2001 and would be the first hajor new pipeline in the region. It would connect the Tengiz oil field to a Russian port on the Black Sea.

While the agreement Tuesday represents an important step in tapping the oil resources of the Caspian, it is also part of the Russian government's struggle to regain credibility with for-

alon investors and business people.

With Russia in the grips of a financial. crisis, foreign investors have been fleeing in droves. The nation's banking systen is virtually paralyzed. The Kremlin-less served notice that it will seek to otiate its foreign debt. Major Westeru oil companies have also scaled back their operations in Russia by cutting staff and selling stakes in joint ventures.

The accord Tuesday is intended to signal that Prime Minister Yevgeni Primakov's left-learing team is still ca-pable of doing business with an in-

Nippon Life Insurance Co., Japan's

piggest life insurer, plans to reduce its holdings of domestic securities and seek

planned to cut its stockholdings and said

increase domestic bond investment. The

company said it would buy more se-

curries denominated in foreign curren-

cies but would keep an eye on foreign-

margins on Hang Seng Index futures by

gher returns abroad. The insurer said it.

Yery briefly:

creasingly skeptical West. It will also through the Bosporus, the strait between the Black Sea and the Sea of Marmara, Russia's cash-starved government.
But there is plenty of work needed to

turn Tuesday's accord into a reality.

"It is still a long way to go," said
Richard Matzke, president of Chevron Overseas Petroleum Inc., a unit of Chevron Corp. "We have not built the pipeline yet."

The Tengiz pipeline has a tangled history. It has been under discussion for the better part of a decade. At stake were huge profits for U.S. oil companies, greater political independence from Moscow for Kazakhstan and revenue

for Moscow President Boris Yeltsin of Russia and President Nursultan Nazarbayev of Kazakhstan agreed that the pipeline should be built in 1996. But it took another two

years to iron out the details. It is hardly the only pipeline project being planued. The United States and Turkey are also pressing the construc-tion of a separate pipeline from Baku, the capital of Azerbaijan, to the Turkish port of Ceyhan.

Turkey has even said that it might try to fight competition from the new Tengiz pipeline by reducing tanker traffic

more than 20 percent two days after Singapore launched a competing contract. The cuts, which reduce margins on Hang Seng Index contracts to 63,000 Hong Kong dollars (\$8,130) per contract

increase volatility in the market. • Amsterdam's exchange plans to cooperate closely with the Brussels and Lincenbourg bourses starting Jan. 4, with the bourses' members having dia Hong Kong's Futures Exchange cut rect and mutual access to each of the

from 80,000 dollars, were made to try to

and raising transit fees. Still, the accord was an important

breakthrough. While Chevron and other oil companies are investing \$20 billion to develop the Tengiz field, transportation has been a major problem.

Much of the crude is shipped by train.

The new plan is to ship it along a 1,450kilometer (900-mile) pipeline to the Russian port of Novorossiysk. There, it will be loaded onto ships for the West.

The goal is to load the first ship before July 1999. The capacity of the pipeline will be 67 million tons a year, but the plan is to reach a level of 28 million tons year before the end of 1999.

"The Tengiz oil field may be fully developed only after this pipeline has been built," Mr. Primakov said. He also said that many oil companies think this oil region is even richer than the Gulf, but added, "I personally doubt this."

Building the pipeline will cost some \$2.3 billion. More than \$854 million is to be spent next year. But Russia will ultimately earn as much as \$23 billion in tax revenue from the project.

Under the agreement, the Caspian Pipeline Consortium will oversee the project. Russia has a 24-percent share of the consortium; Kazakhstan, 19 percent, and Oman, 7 percent. Other shares are held by oil companies, led by Chevron, which has 15 percent, and also including a venture of Lukoil and Arco, 125 percent, Royal Dutch/Shell Group and RAO Rosneft, a Russian oil company, 7.5 percent, ENI SpA of Italy, 2 percent, BG PLC of Britain, 2 percent, and the Oryx Energy Company of Dallas, 1.75 percent.

■ Pipeline to Get World Bank Aid

A \$2.5 billion gas pipeline stretching from Turkmenistan to Turkey will be built by 2001 with the help of World Bank financial aid, President Sapar-



Mr. Matzke, president of Chevron Overseas Petroleum, speaking in Moscow on the Tengiz accord and the Caspian region's oil resources.

murad Niyazov of Torkmenistan said Wednesday, Reuters reported from Ashkhabad, Turkmenistan.

Mr. Niyazov made the remarks during a meeting with the speaker of the Russian Duma, Gennadi Seleznyov, that was broadcast on state television.

"The gas pipeline, which is to cost \$2.5 billion across the Caspian, will be financed by the World Bank." he said. The U.S. Export-Import Bank has also said it would help fund the project. Mr. Niyazov added that the pipeline would be completed in two years with construction over by 2001.

The 2,000-kilometer pipeline would carry gas from Turkmenistan across the Caspian Sea through Azerbaijan and

Sale of Philippine Phone Stake Marks 'Sad' End to 31-Year Saga

Bloomberg News MANILA - More than three decades ago, Ramon Cojuangco led a group of Filipino businessmen who bought control of Philippine Long Dis-tance Telephone Co. from GTE Corp. of the United States.

That era came to a close Tuesday when Mr. Cojuangco's son Antonio, the president of the largest Philippine phone company, sold the family's shares to First Pacific Co.

First Pacific - a Hong Kong-based company owned by the Salim group of Indonesia — paid \$750 million for the 17.2 percent stake in Philippine Long Distance. Mr. Cojuangco will make an estimated \$450 million on the trans-

'It's sad because of the nostalgia we've built up over the past 31 years, said Antonio Meer, 75, a corporate lawyer who participated in the 1967 takeover and sold his shares Wednes-

day. "You've got to break clean."

Philippine Long Distance shares have gained 47 percent since Sept. 14, when they hit a low for the year. On Wednesday, the shares closed at 1,025 pesos (\$26.02), down 30.

Times have changed since an obscure law forced GTE to sell its stake in Philippine Long Distance to the group led by the elder Mr. Cojuangco, a deal hailed as a triumph of Philippine nationalism. In 1993, the government broke the

company's monopoly by handing out almost a dozen new licenses. In a preemptive strike against its new rivals, the company started a program to install 1 million phone lines in an attempt to wipe out a backlog of more than

500,000 applications.

But the 70-year-old phone company has struggled at times in recent years to prove it can thrive in a competitive environment. Philippine Long Dis-

\$2,000, double the industry average.

Mr. Cojuangco, who will become chairman, will be replaced as president by the managing director of First Pa-cific, Manuel Pangilinan. The takeover also will force out the chief financial officer, Edgardo del Fonso, and Alex Flores, head of purchasing.

Philippine Long Distance's operations have begun to show wear and tear from the economic slowdown, rising borrowing costs and declining international calling rates. The Philippine economy probably slipped into recession in the third quarter, the government said.

The phone company's third-quarter profit rose just 1.6 percent, to 2.2 billion pesos, as interest expenses and provisions for doubtful accounts surged. On Wednesday, Duff & Phelps said it may cut the company's credit rating because of changes in the company's operational and financial strategies that are anticipated to occur under new

■ Family Sells Banking Shares

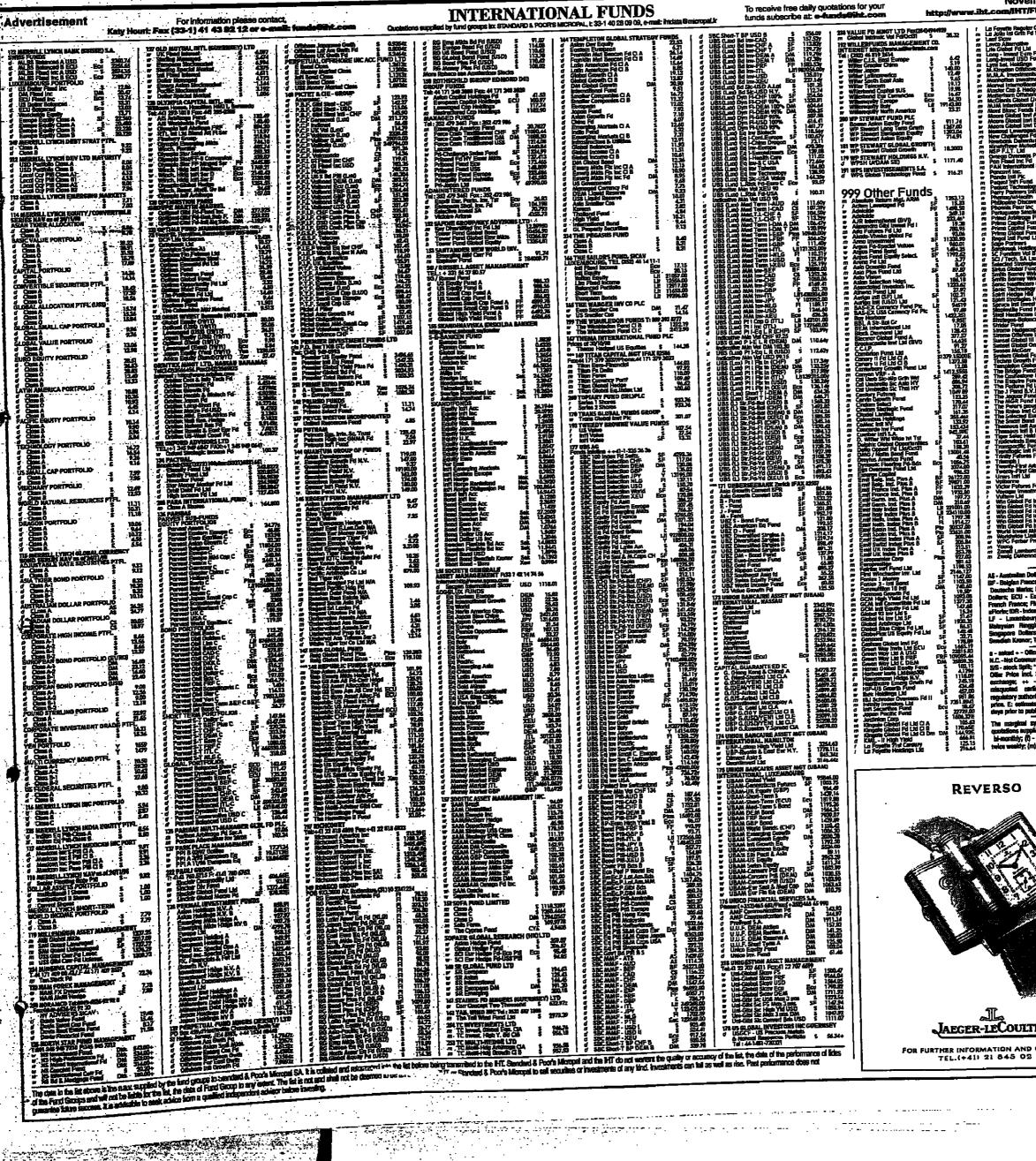
A director of the Bank of the Philippine Islands sold almost all of his family's stake in the third-largest Philippine bank to foreign investors for 3.47

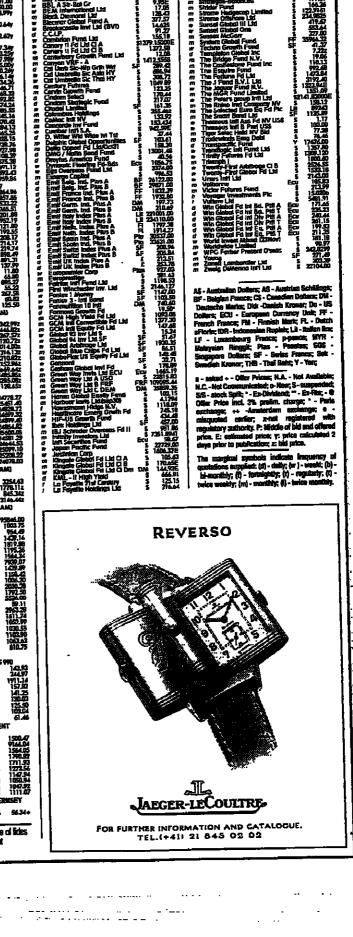
billion pesos (\$88.1 million). The Araneta family sold 44.5 million shares, or 5.5 percent of the bank, at 78 pesos each. ABN-AMRO Asia Secu-

rities Philippines Inc. handled the sale. The Aranetas, who have had three generations of members as bank executives, said their decision to sell reflected the family's growing interests

outside the banking sector. With most of the demand for the block coming from overseas, "it's a good sign for the country," said Benito Araneta, who represented the family's interest as a director of the bank. "We believe it's the best bank and will continue to be the tance's average cost per line is still best bank in the Philippines.

November 25, 1998





World ROUNDUP

PSV Prevails, 3-1

SOCCER Roud van Nistelrooij, the top scorer in Dutch soccer, scored a hat-trick as PSV Eindhoven downed HJK Helsinki, 3-1, Wed-

nesday in the Champions League.
Visiting PSV struck in the 30th
minute when Chris van der Weerden centered from the right after a throw-in and van Nistelrooij headed in the goal at the far post. At 67 minutes. HJK was caught by a coun-terattack with Luc Nilis playing a perfect pass to van Nistelrooij, who

scored easily on the breakaway.
One minute later, HJK replied with a penalty. Then, nine minutes from the end, Van Nistelrooij was tripped by an HJK defender. Ville Nylund, and scored from the penalty spot for his third.

· Spartak Moscow and Sturm Graz played to a scoreless draw in a Champions League Group C match Host Spartak dominated throughout the game but didn't have many scoring chances. (AP)

UEFA Backs Krakow Ban

SOCCER European soccer's governing body Wednesday affirmed a season-long ban from European soccer imposed on the Polish club Wisla Krakow over an alleged knife-throwing incident in a UEFA

Cup match last month.
The Polish club's lawyer, Reinhard Rauball, who disclosed the decision by the UEFA appeals committee, said the rejection of the Krakow appeal was "a sporting and a financial disaster" for the

Rauball said he did not dispute the details of the Oct. 20 incident, in which UEFA says the Italian midfielder Dino Baggio was struck by a knife thrown from the stands and needed five stitches to close a head wound. But Rauball said the season-long ban was too severe and that it should be softened.

UEFA imposed the penalty be-cause it said Krakow's security should have stopped the knife from being brought into the stadium, but Rauball said security had been very

Polish police have detained a 19year-old man in the incident. (AP)

No NBA Hoops in Sight

BASKETBALL Bargaining in the NBA lockout came to a complete announced that their next negotiating session had been called off.

"Saturday's meeting is canceled," said a league spokesman, Chris Brienza. "There are no further talks scheduled."

The new squabble concerns the details of a so-called breakthrough made in a 91/2-hour negotiating session last Friday, as well as comments by a union attorney earlier this week that certain rules changes the league is seeking are a "deal-

Sampras Downs Moya to Reach Semis

The Associated Press HANNOVER, Germany Pete Sampras is playing too well to have to worry about figuring out the intricacies of the round-robin

After beating Carlos Moya, 6-3, 6-3, on Wednesday, Sampras was not even aware that he had clinched a place in the semifinals of the ATP World Championship. That's nice to hear," Sampras said after being told that he had

secured a place in the last four.
"It's certainly a good feeling to be here over the weekend."

Sampras is seeking to become the first man to finish the season ranked No. 1 in the world for six

Marcelo Rios, the only player who can threaten Sampras, trails by 33 points in the computer rank-ings and has to do better than Samoras in the elite season-ending championship that brings together the top eight players of the year.

But Rios, who was not scheduled to play Wednesday, lost his first match to Tim Henman and is battling a back injury. He now has to win his next two round-robin matches to reach the semifinals and stay in the chase.

The eight players are split into two groups and Sampras and Rios cannot meet until the semifinals.

helping myself by winning. I can't really be too concerned about what Marcelo is doing.

"I have to concentrate on my matches. If I take care of things myself and go out and win, then it should be hopefully good

Referring to Henman, Samoras added: "But I must admit I was rooting for the Englishman yesterday.

Sampras was good enough to beat Moya in only 62 minutes. The French Open champion had beaten Sampras in a group match here last year but Sampras went on to win the \$3.5 million event for the fourth time.

On Tuesday, Sampras was equally impressive in dismissing Yevgeni Kafelnikov in straight

"Last year I must admit I felt a little flat," Sampras said. "This year, with the ranking up for grabs. I just made a concerted effort to come here a little bit early and prepare as best as I can. It's obviously a very big week for Mar-

The second American in the field, Andre Agassi, retired in his opening match against Alex Corretja because of a back injury. Corwhen I got into position."

"It helps," Sampras said of Rios losing the first march. "I'm also when Agassi quit.

Agassi was practicing with Corretja on Monday when he fell and hurt his back and has been receiving shots and other treatment since then.

"It was definitely painful even this morning in my warm-up,"
Agassi said. "I needed to give it a go, at least try to keep the points short. But I hit a swinging volley and when I twisted it was just like omebody stuck a knife in me. Pretty soon it got quite point-

Agassi, who won the event in 1990, said he would wait until Thursday before deciding whether to continue the tournament, which is possible under its round-robin format. But he added that he would be surprised if he played again.

Although Agassi has surged back to hit the No. 4 ranking this year after falling as low as No. 141 at the same time last year, he has not done well at major tourna-

"The year has been great for me in many respects, but the great tournaments have been pretty disappointing, Agassi said. "I've worked really hard and had to grind week after week to get my-

■ Veterans for Sweden

The defending titlist, Sweden, will rely mainly on veterans in the Davis Cup final against Italy in Milan on Dec. 4-6, The Associated Press reported from Stockholm. The team's captain, Carl-Axel

Hageskog, announced a quartet of old hands including Jonas Bjorkman, Magnus Gustafsson, Nicklas Kulti and Magnus Norman.

Although Hageskog would not divulge his battle plan, it is likely he will use Bjorkman and Kulti in the doubles. In the singles, Hageskog has at least three players at his disposal. Thomas Johansson, currently

Sweden's highest-ranked player at No. 17, is suffering a strained knee, but could be included on the team if his condition improves. Thomas has to undergo one more session for treatment - he'll join the others in Monte Carlo a day later," Hageskog said. The other two candidates are Gustafsson and

Bjorkman, currently ranked 24th, is the highest ranking player on Sweden's team, followed by Gustafsson at 31, Norman at 52 and Kulti at 293. The Swedes said they would work out three or four



days outdoors on clay in Monte Andre Agassi hitting a backhand return to Alex (1 retja at the ATP World Championship in Hannover.

French Foreign Legion of Soccer Stars Revels in Champion Role

By Peter Berlin

onal Herald Tribune ONTE CARLO -- The French like the phrase. They have spent four months rolling it round their tongues to get used to the sound. Every Sunday night, when French television shows highlights from the soccer leagues of Spain, Italy,

England, Germany and even Scotland VANTAGE POINT

the phrase pops out -- delivered with an endearing mixture of pride and amazement - whenever certain members of France's immense foreign legion appear on the screen: Champion du Monde.

Only seven members of the 22-man team that won the World Cup for France play in the French league, yet their victory seems to have carried over to the clubs, giving an added measure of self-belief to their steady improvement over the last decade. Six of those seven staged a little reunion Tuesday when Monaco and Marseille drew, 2-2, in the

third round of the UEFA Cup.

It is a measure of French clubs' earlier lack of success that the match on Tuesday was the first meeting between two members of the French league in any European competition. In just over four decades of play, there have been 44 previous encounters between two teams from the same country. Of those, 42

have involved clubs from the four leagues - Spain, Italy, Germany and England — that have dominated European competitions.

Cynics could point out that not all World Champions are equal. Every World Cup winning team has a few players who are fortunate to have been in the right squad at the right time. In France's case, that means pretty much



Christophe Dugarry of Marseille, left, and David Trezeguet of Monaco clashing in the UEFA Cup.

every attacker and four of the six World
Champions who played in Monaco on
Tuesday are attackers. Furthermore,
France's steadily growing success in the

World Champion, blasted the post-World Cup season. The match
equalizer from a penalty after Laurent
marked the second appearance this season of Martin Djeton. Djeton, like
had yanked down Victor Ikpeba, a NiMaurice, was one of the unlucky four France's steadily growing success in the UEFA Cup has coincided with the weakening of that competition as more clubs from the top nations are allowed into the Champions League.

Indeed, the attempts by France's biggest clubs to pull themselves into Europe's elite have only led to money trouble. Bordeaux drove itself briefly into bankruptcy, Paris-Saint Germain almost did the same and Marseille, which broke France's drought and won the Champions Cup in 1993, was relegated from the French first division the same year for bribing opponents. But the problems of the big teams have helped their smaller rivals. Since 1993, five different

clubs have won the French league. Of the 27 players used by the two teams during the course of Tuesday evening, 22 are qualified to play for France. The six World Champions were never on the field at the same time. Christophe Dugarry, the Marseille striker, left, hurt after an hour, before Thierry Henry, the Monaco striker, came off the bench for

his habitual late cameo. Robert Pires, the Marseille striker who looked so ordinary in the World Cup, was again brilliant at club level, although he was clearly injured. He thumped a crisp opening goal past Fabien Barthez, the World Champion goalie, after a neat flick by Florian Maurice, but limped off in the second half. David Trezeguer, the

gerian striker. In a brief non-French interlude, Titi Camara, a Guinean striker for Marseille, pounced on a horrible error by Phillipe Leonard, Monaco's Belgian defender, to restore the Marseille lead.

Early in the second half, Ludovic Giuly brought Monaco level again with a neat shot from the edge of the penalty

The game was hardly an advertise ment for the new improved French soccer. A few moments of inspiration were mixed with long periods of mediocrity and large dollops of staggering in-

"We mixed the good with the I don't know what." said Jean Tigana, the Monaco coach.

The ball certainly bounced oddly on the Stade Louis II grass — many of the second two-footed lunge at Barthez, Marseille players complained about it. The players and the referee — who gave out 12 yellow cards and two red cards -

became distracted by local vendettas. Even so, it was difficult to believe that Monaco was the same team that had eliminated Manchester United and then scared the shorts off Juventus in the Champions League last year. And of course it isn't. Its midfield axis of Ali Benarabia and John Collins has been lured away to Bordeaux and Everton, respectively. It has struggled to cope with the high level of injuries in this who were cut from the French squad just before the World Cup started, and whose ill luck has continued since.

Monaco's ability to compete

Europe despite its tiny fan base has been remarkable. But then it has an advantage over other clubs in the French leagueit isn't in France. Perhaps it is an example of what French enterprises could achieve if neither they nor their workers had to pay French taxes and social charges — and if every citizen were rich. On Tuesday, Marseille had the support of 5,000 traveling fans. This may not all have come straight from that city's docks and housing projects, but they certainly acced as if they did. Monaco had Linda Evangelista. After Maurice was sent off for a

game became a little fractious. When Camara collided with Barthez, nearly all the players gathered in the Monaco penalty area for an ill-tempered discussion group which ended with a red card for Fanck Dumas, the Monaco defender. After the fuss died down, Barthez and Camara embraced as a conciliatory gesture. The Monaco fans 🐇 those who weren't disguised as empty seats — politely clapped this sporting gesture. The Marseille fans, crammed into one end of the ground, yowled their disapproval

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NFL Teams Want a Piece Of Holiday Pie

By Thomas George New York Times Service

NEW YORK — Thanksgiving Day ames have become such a tradition in the National Football League that teams other than Detroit and Dallas would like especially the competitive edge that they say is allowed the hosts.

Cowboys are hosts for Thanksgiving Day games, Detroit almost every year rce 1934 and Dallas all but two years ree 1966. Detroit has a 29-27-2 record in those games; Dallas is 20-9-1. Their

opponents vary.
Opposing NFL teams say that the short turnaround — playing on the pre-vious Sunday and then having to travel to Detroit or Dallas to play on Thanksgiving - gives the Lions and the Cowboys a competitive edge.

The thinking goes that the Lions and

the Cowboys are more used to the short work week. Lions and Cowboys players and coaches are supposedly more tuned for the annual clash than the opposing players because the opponents change every year.

In recent league meetings, several owners discussed the idea of rotating the Thanksgiving games among NFL sites each year. Basically, they were told to

sit down. Some traditions, it was decided, were

Detroit plays host to the Pittsburgh Steelers on Thursday, and the Min-

nesota Vikings visit Dallas. All the teams playing on Thanksgiving Day this year remain in playoff contention. Detroit, barely. Pittsburgh, mightily. And Minnesota and Dallas? Both are the gravy this day. Both are division leaders. Both will use this game as a test playoff. Both will offer viewers a festive affair.



Shane Doan overshooting Chicago's goal, defended by Jocelyn Thibault.

Coyotes Prolong Streak to 6

Keith Tkachuk scored twice and assisted on Jezemy Roenick's decisive goal, giving Phoenix a 3-2 victory over the Chicago Blackhawks — a sixth straight victory for the host Coyotes and

the longest winning streak in the league. Phoenix is now 10-0-2 in its last 12 games — the second-longest unbeaten streak in franchise history. The Coyotes could tie the franchise mark they set as

M#L ROUNDUP

the Winnipeg Jets during the 1984-85 season on Thursday against New Jer-

The game Tuesday also was 15th in a row in which the Coyotes held opponents to two goals or less.

Tony Amonte and Ethan Moreau scored for Chicago, but were not able to give the Blackhawks their 2,000th victory. Chicago is 1,999-2,098-750 since joining the NHL in 1926.

Blues 4, Produtors o Pavol Demitra had a goal and two assists, and Jamie McLennan got his first shutout of the

season as St. Louis beat visiting Nashville.

McLennan is the backup for the injured Grant Fuhr, who is sidelined for four to six weeks with a groin strain. McLennan left the game Saturday after one period with back spasms, but showed no signs of stiffness Tuesday against the Predators.

Scott Young, Al MacInnis and Pierre Turgeon also scored for the Blues. Bruins 4, Lightning 1 Ray Bourque scored a power-play goal during a four-goal third period as Boston sent host

ampa Bay to its sixth straight loss. Bourque, who has scored 10 of his 11 points on the power play, got his second goal of the season with 5:41 remaining. Dmitri Khristich, who added two as-

sists, had tied the game 1-1 on his teamleading 11th goal with 17:40 left in the third period. Khristich has four goals and eight points in his last three games. Steve Heinze had a breakaway goal with 16:53 remaining and Kyle McLaren scored with 1:19 left.

Brent Peterson scored the Lightning goal at 2:39 of the first period.

At 84, the Battle of DiMaggio's Life

Cancer Surgery Is Confirmed, and So Is a Hero's Vulnerability

TEW YORK - In the press room of Yankee Stadium not long ago I saw Joe DiMaggio sitting at a table with a few friends. Even in repose he looked elegant, still trim in his dark suit, hair graying and thin but neatly

I was reminded of a remark by Henry Kissinger when he sat near DiMaggio in the owner's box in Yankee Stadium. The Yankees had lost a playoff game and Kissinger, on the way out, had said, 'Joe, put on a uniform - they can use In the mind's eye, Joe still could lope after a fly ball.

When I saw DiMaggio then, I related to him an unfortunate incident that happened to him some 45 years ago and

that he didn't know about. I was a small boy growing up in Chicago in the 1950s, I told him, and aware of the DiMaggio legend, as was anyone else who followed baseball in America. I had written to the Yankees for a photograph of him, was sent a glossy head shot with him in his baseball cap, and nailed the picture to my bedroom wall. The unfortunate part, I told DiMaggio, was that I hammered the

told DiMaggio, was man a mail right through his forehead.
"You did?" he said, wincing. "Oh yeah," he said. "I heal fast." Wednesday marked DiMaggio's

84th birthday, and one wonders whether he can heal as he lies in a hospital in Hollywood, Florida

[DiMaggio was improving steadily after lung cancer surgery, The Associated Press reported.

[Dr. Earl Barron, the lead doctor on a team of six physicians who have been treating DiMaggio, confirmed for the first time Wednesday that DiMaggio had had a cancerous tumor removed from his right lung.

Dr. Barron said the surgery was done two days after DiMaggio entered the hospital Oct. 12, and that he had suffered severe complications after the surgery, including a serious lung inVantage Point/IRA BERKOW

fection. "For a while, it was touch and go, but he has been showing steady improvement," Dr. Barron said. He added that the prognosis for DiMaggio was "guarded" because of his age.] One wonders whether the man who

once hit in 56 straight big-league games, a record that has stood for 57 years, can summon the energy and, perhaps, the requisite miracle to regain full health. Even before his admission to the hos-

pital, DiMaggio's name was in the news, in an indirect fashion. The Yankees' sterling center fielder, Bernie Williams, the American League's leading hitter and Gold Glove fly-chaser, heir to DiMaggio and Mickey Mantle, and a free agent, has been in controversial negotiations with the Yankees. Williams is as distinguished a ballplayer, if not as iconic, as his famous prede-

It is difficult for fans to imagine that their athletic heroes are vulnerable to everything human.

The youth of the ballplayer, or, sometimes, even the coach, is eternal, if only in photographs and film - DiMaggio in his baggy pinstripes is still rapping out hits in his familiar long stride and sweeping stroke of the bat - and in our

Red Holzman can still be seen in that fashion in the huddle, instructing Bill Bradley and Walt Frazier, and Weeb Ewbank may be forever visualized discussing strategy with a mud-splattered Joe Namath on the sidelines. In that sense, Coach Holzman of the New York Knicks and Coach Ewbank of the New York Jets, who both died recently, re-

main vital to us. And the former Yankees pitcher Catfish Hunter, because of the Lou Gehrig's disease he has, may soon lose such control in his muscles that he will be unable to even grip a baseball. Such thoughts seem to fall off the radar screen of our comprehension.

And so it is with Joe D, that intensely proud man, that sometimes impatient and unforgiving man, who, the Yankee management knew, would be insulted if, at Old-Timers' Day, he should not be the last announced.

On the day I apologized for pounding that nail into his head, I gave DiMaggio a photograph of him and Marilyn Monroe taken by Richard Sanborn, who is now a judicial magistrate living in Maryland. Sanborn had been a sergeant in the army stationed in Tokyo in 1954 when DiMaggio and Monroe went on their honeymoon to Japan.

I had written a column on DiMaggio and Sanborn sent the photo to me to give to DiMaggio, saying he had always wanted Joe to have it and didn't know how to get it to him. Would I do it? I

S MOST people know, bringing A up his former wire to be would end any conversation personal. But I with him. It was too personal. But I handed DiMaggio the photograph. He thought it was great. "And this guy was just an amateur photographer?"

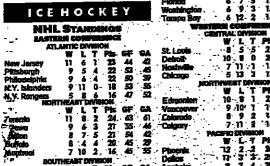
DiMaggio said. "I've got to send him a
note and thank him."

Shortly after, alone with DiMaggio, I said, "Marilyn looked beautiful in the picture." "She was beautiful," DiMaggio said, as though relating an insight. I said, "Joe, there's a question I've always wanted to ask you, if you don't

mind." He nodded, knitting his brow. 'There's that great anecdote first written by Gay Talese," I went on, "about when you were in Japan and Marilyn was asked by the brass to entertain the troops in Korea. When she returned to your hotel room, you asked how it went and she said, 'Oh, Joe, you never heard such cheering!' And you said quietly, 'Yes I have.'

"Did it happen?" "Yes," DiMaggio said, "it did."

SCOREBOARD



Phoenix 1 6 2—3
1st Pal.: P-Thochuk 11 (Roenick, Droke)
2nd Pal.: C-Apnorle 14 (Zhomnov, Chellos)
2nd Pal.: P-Thochuk 12 (Tocchet, Guint) (pp).
4. P-Roenick 6 (Thochuk, Droke) 5, CMorenu 4 (Gilmour, Monetule) Shots on goth:
C- 7-15-10—32. P. 11-48—23. Gentlies: CThiboutt, P-Khobhville.

BASKETBALL LEADING COLLEGE SCORES American U. 97. W. Maryland 60 Boston College 69, Familian 56

Hofstra 65, Youngstown St. 62 Providence 80, N. Carolina St. 69 Rhade Island 67, Brown 49 Siena 86, St. Bonaventure 67 East Carolina 75, SW Louisiana 69 Florida St. 70, Idaho S7 Jacksonville St. 92, Florida A&M 27 Northwestern St. 66, Granbling St. 6 Old Deminion 102, VMI 69 th Florida 58. Cent. Michigan St

Southern Miss. 56. South Alaba: Tennessee 85, Chaltoneoga 74 Tulane 77, Nicholfa St. 72 Vanderbill 79, Morehead St. 69 Vonderbilt 79, Morebead St. 69
Virginia Tech 85, Liberty 51
Volate Forest 75, William 8, Mary 57
DePost 78, N.C.-Wilmington 63
Detroit 73, Bowling Green 70
Drate 91, Delaware 51, 78
Indiana 82, 78, E. Kentucky 54
Minnesota 77, Scion Hall 70 Ohlo St. 78, Tennessee Tech 51
Lamar 82, Tetas A&M-Klagsville 74
SW Teans 70, Beylor 62
Tesas-E I Pass 84, Jackson St. 63
Totas 81, Tetas-San Antonio 68
Idaho 52, 79, W. Mordono 54
Pocific 52, San Jose 51, 44
Peppertihe 60, Wichilm 51, 50
Portinan 78, UC Santia Barbaro 73
Southern Col 74, Long Beach St. 48
UNLV 82, Weber 51, 64
Utah 51, San Diego 51, 69

TOP 25 TUBERAY VESTILES

No. 2 Connecticut (3-8) def. Horitord 95-58.
No. 17 Indiana (6-0) def. No. 18 Urbs 32-45.
No. 22 Classon (4-1) def. Chomistode 72-60.
No. 22 Classon (4-1) def. Chomistode 72-60.

WOMAIN
"No. 7 Notre Dame (44) del. No. 25 Illinois

101-92. No. 9 Old Deminion (3-6) def. No. 10 N.Cur-elina Statu 75-72. No. 11 Rutgers (4-1) def. Texas 66-59. No. 13 Fortida (5-1) def. Migani 65-69. No. 14 Arkunstas (5-1) def. Baytor 75-64. No. 17 Virg. (2-1) def. Virg. C'weal No. 21 Journ State (2-0) def. Creigh

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AS Rome, Holy, 1, FC Zurich, Swiz Olympique Lyon, Fr., 1, Chib Bruges, Belg., Monaco, Fr., 2, Olympique Monaeille, Fr., 2 Celta Viga, Spain, 3, Liverpool, En GERMAN BUILDESLE Romesia Dortmund 2. Hamburg SV 1

TENNIS ATP TOUR CHAMPIONSHIP WEDNESDAY IN HANOVER, GERMANY

Alex Corretia (5), Spain, def. Andre Agast (3)U.S., 5-76-32-1 (Agassi refired); Tim Hen-mon, Britain (7) del. Marcelo Rios (2) Chile,

Pele Sampras (1), U.S., def. Carlos Mayo (4), Spain, 6-3 6-3.

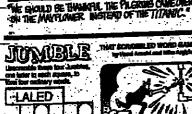
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ART BUCHWALD

Talking Turkey Again

(Scientists have analyzed the is presumably the oldest fowl discovered in the New World and the only scientific record we have as to how the Pilgrims celebrated the most famous of our pagan holidays.)

ONE of the most important holidays is Thanksgiving Day, known in France as le Jour de Merci Donnant.

was first started by a group of pilgrims (Pelerins) who fled from l'Angleterre before the McCarran Act to found a language such as you read in colony in the New World (le your books of the pleadings

could shoot Indians Peaux-Rouges) and eat turkey (dinde) to their hearts' content. They landed at a place called Plymouth (now a famous voit-

Buchwald Americaine) in a wooden sailing ship named the Mayflower, or Fleur de Mai, in 1620. But while the Pèlerins were killing the dindes, the Peaux-Rouges were killing the Pèlerins, and there were several hard win-

ters ahead for both of them. The only way the Peauxhow to grow corn (mais). The ent-il pas auprès de moi pour reason they did this was be-tenter sa chance?) cause they liked corn with their Pèlerins.

In 1623, after another harsh year, the Pèlerins' crops were things. He staggered on, so good that they decided to have a celebration and give husband Kilomètres would thanks because more mais make. Finally, Priscilla was raised by the Pèlerins arched her eyebrows and than Pèlerins were killed by the Peaux-Rouges.

Every year on le Jour de Merci Donnant, parents tell their children an amusing story about the first celebration.

It concerns a brave capitaine named Miles Standish (known in France as Kilomêtres Deboutish) and a shy young lieutenant named Jean Jour de Merci Donnant is a Alden. Both of them were in love with a flower of Ply-mouth called Priscilla Mullens (no translation). The vieux capitaine said to the jeune lieutenant:

DNA found in a turkey buried (Allez très vite chez Priscilla), in Plymouth, Massachuseus, It the loveliest maiden of Plymouth (la plus jolie demoiselle de Plymouth). Say that a blunt old captain, a man not of words but of action (un vieux Fanfan la Tulipe), offers his hand and his heart - the hand and heart of a soldier. Not in these

words, you understand, but this, in short, is my meaning. "I am a maker of war (Je suis un fabricant de la guerre) Le Jour de Merci Donnant and not a maker of phrases. You, bred as a scholar (Vous. qui êtes pain comme un étudiant), can say it in elegant Nouveau Monde) where they and wooings of lovers, such could shoot Inthe heart of the maiden."

Although Jean was fit to be tied (convenable à être emballe), friendship prevailed over love and he went to his duty. But instead of using elegant language, he blurted out his mission. Priscilla was muted with amazement and sorrow (rendue muette par l'étonnement et la tristesse).

At length she exclaimed, breaking the ominous silence, "If the great captain of Plymonth is so very eager to wed me, why does he not come himself and take the trouble to Rouges helped the Pèlerins woo me?" (Ou est-il, le vieux was when they taught them Kilomètres? Pourquoi ne vi-

Jean said that Kilomètres Deboutish was very busy and didn't have time for such telling her what a wonderful said in a tremulous voice, "Why don't you speak for yourself, Jean?" (Chacun à

son gout.) And so, on the fourth Thursday in November, American families sit down at a large table brimming with tasty dishes and for the only time during the year eat better than the French do.

No one can deny that le grande fête, and no matter how well fed American families are, they never forget to give thanks to Kilomètres Deboutish, who made this great day possible.

Hitting the Road for Thanksgiving

W YUKK — Ine mu at onen accor Thanksgiving may have less to do with turkey and all the trimmings than with the huge crowds on roads and at airports. A record 33.6 million people, roughly one in eight Americans, will travel at least 100 miles from home over this Thanks-

giving holiday, according to a survey by the AAA auto club.

That breaks down to 27.7 million people going by car and 5.8 million by airplane, bus or train. Most travelers (63 percent) plan to stay overnight with family or friends, the AAA survey indicates, and 23 percent intend to stay in a hotel, the Lodging Research Network of PricewaterhouseCoopers says.

alone, an estimated 80 people are likely to be killed from Thanksgiving through New Year's Day, according to the Connecticut Department of Transportation.

'Candid Camera': Still Leaving Nothing to Chance

By Andy Meisler New York Times Service

MONTEREY, California — On a rainy Saturday morning, in a rented store-front a few yards from Cannery Row, a crew from the CBS series "Candid Camera" pre-pares for a long day. The gag they are attempting is deceptively simple: Unwitting citizens who drop off film at a one-hour photo shop will return to find that establishment gone, a dry cleaner in its place. The shop's mock proprietor — in both cases, Peter Funt, the show's executive producer and co-host (with the sitcom-actress Suzanne Somers) - will profess benign noncomprehension of his customers' quandary. Said customers' reactions will be secretly recor-

ded by a hidden camera and microphone. Since the segment is to be spontaneous and unscripted, almost nothing has been left to chance. The stunt has been discussed and planned for weeks. As a backup, a real photodeveloping shop nearby has been paid to feign equipment failure and direct its cus-

tomers to the trap. It takes hours of hard work to erect a reversible set and dress the Fast Photo outlet to Funt's specifications. In a back room the camera and sound recorder are manned and the crew crouches silently. A few minutes later Andrea Montes arrives. She is taped dropping off a roll of film, being instructed to return in one hour and departing.

The instant she is out of sight the crew

springs from its hiding place and, with tense efficiency, turns Fast Photo into Mitchell's Cleaners. This takes about 30 minutes. Funt changes into different clothing and stands nonchalantly behind the counter. Forty-five minutes later, Montes returns, passes back and forth several times in front of the store, then disappears up the street. Funt and his associates maintain their positions. And strict silence. Five minutes later Montes returns, enters and - eyes flickering slightly with confusion — approaches the counter. 'Do you have cleaning?" asks Funt.

"No." says Montes, nonplused. For several minutes Funt maintains the charade, evoking several more brief expressions of puzzlement. Finally, he breaks character and informs Montes that she has been caught by "Candid Camera." Montes smiles shyly, signs a release form and is on icon. It says a lot about the strength of the sponsible use of hidden cameras — a credo he a mean or spiteful way."



Allen Funt interviewing a subject in a 1963 segment of "Candid Camera."

her way. This incident will yield roughly 30

seconds of footage.

This seems a particularly graeling way to create television comedy: more masochism then voyeurism, merry pranksterism laced

with strict discipline. But this is probably why CBS, struggling to attract a larger share of a shrinking television audience, has chosen to remm to its roots and revive this 51-year-old franchise. Although rerun-drenched baby boomers might assume that the show had never left the air, "Candid Camera" had a 30-year hiatus, at least as a rewarded its CBS benefactors by turning in more than decent ratings, at considerably lower cost than a star-driven sitcom.

Terry Botwick, a CBS senior vice president, says: "It may feel a little retro, but that's O.K. It's actually an American cultural

show that it's remained at that level of stature

even after long spells off the air."

"At times," says Peter Funt, over lunch near his phony photo-cleaners shop, "I'm worried about the proliferation of hidden cameras for other purposes. Just because I'm the guy who eavesdrops on people with a camera for a living doesn't mean that I'm comfortable with the fact that the government might eavesdrop on me -- or that a fastfood store is photographing me or that an that the show had never left the air, "Candid Camera" had a 30-year hiatus, at least as a regular network series. Reintroduced as a l'm getting my tires rotated or something." Funt leans forward, his voice rising: "I think that hidden cameras are very, very potent and as such a potentially dangerous tool. They have got to be in the right hands, and they

have to be used responsibly." Funt, the 51-year-old son of Allen Funt, "Candid Camera's" creator, says the resays his show adheres to strictly — entails a-basic respect, even admiration, for the people. being secretly taped. "I think the public is aware of the fact that we are on guard — that they don't have to worry about being embarrassed uncomfortably. They don't have to worry about us invading people's privacy. It was very clear in my dad's work that he cared about people. And I feel the same way. I believe people are wonderful." Of course, Funt adds, wonderful "Candid

Camera" segments walk a fine line between humiliation and good-natured provocation, one that he maintains is never intentionally

This year's segments have included a dent-ist's office where patients in the waiting room are subjected to loud banging, groaming and cries of pain from the next room; a Halloween pumpkin patch with a free "all you can carry" offer; a bank teller selling counterfeit money at an attractive discount, and a movie, theater manager who instructs those arriving to line up in alphabetical order.

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Allen Funt, who started "Candid Micro-phone" on radio in 1947, brought the concept to ABC's television division the, following year. "Candid Camera" was broadcast on various networks and in various time slots until 1960, when it entered what

must be considered its golden age.

During most of the 1960s, Allen Funt was national symbol of ingenious merriment; Peter, who first appeared on the show as a shoeshine boy at age 3, spent his summervacations helping out on the set and appearing in eags, most notably as a spray-painted Roman statue who jabbed museumgoers with his spear when their backs were turned. The show was swept off the CBS schedule in 1967.

Understandably, Peter Funt sees no reason to tinker with the show's age-old formula, especially the meticulous attention to detail and — truly astounding in these days of mace, lawsuits and million-dollar-per-episode performers — the practice of ambushing ordinary citizens, letting them make mild fools of themselves, then paying them \$30 to appear on national television.

Virtually no one. Funt says, refuses to sign his waiver. "Well, people are basically good-named about it," he explains. "I guess they just say, 'Gosh darn it, they got me!' and trust that we won't portray them in

PEOPLE



Drivers should bear in mind that on New England roadways CURTAIN UP - The Spanish actress Lucia Jimenez at the Festival of Three Continents, which shows films of Africa, Asia and South America. She is a judge for the festival in Nantes, France, marking its 20th year.

THE opera star Luciano Pavarotti has agreed to sing three performances of Puccini's "Tosca" at the Metropolitan Opera in New York later this season. The general manager of the Met, Joseph Volpe, has announced that the tenor would appear as the painter Cavaradossi on March 16, 20, and 25. Pavarotti, whose performances invariably sell out, was to have sung the role three times this month but canceled because he was still recuperating from hip- and knee-replacement sur-gery. He was replaced by Richard Leech, who will now be replaced by Pavarotti.

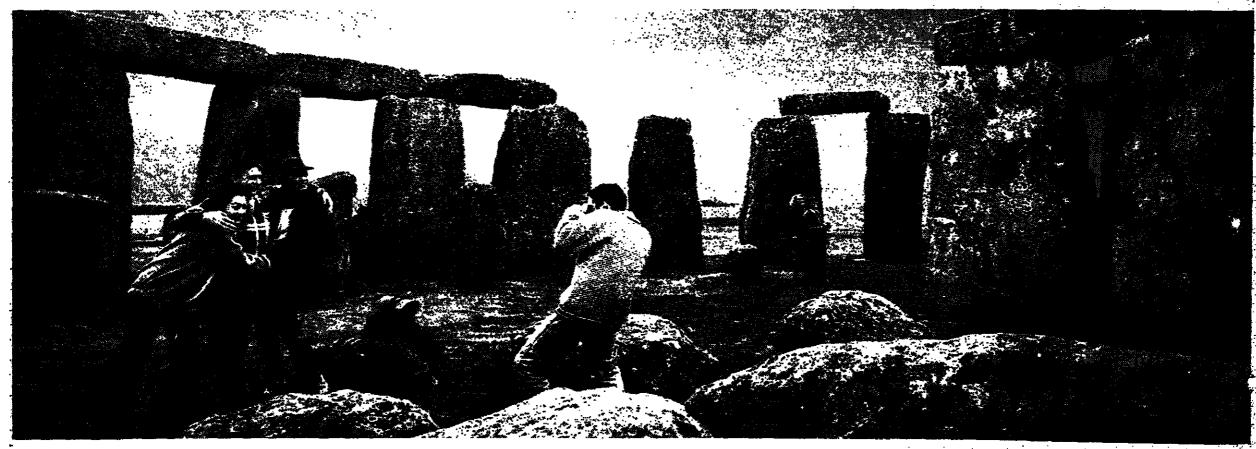
Over the past 18 years, the National Yiddish Book Center in Amherst, Massachusetts, has recovered nearly 1.5 million volumes that serve as a record of Jewish life before the Holocaust. Brittle with age, many of the works are now threatened with extinction. Steven Spielberg hopes to remedy modes brought the highest the situation. His Righteous Persons Foundation has made a auction in New York. grant of \$500,000 to create "The Steven Spielberg Digital Yiddish Library." Using digital technology, the library intends to preserve works permanently by reprinting them on demand, issuing them as CD-ROMs and making them available on the Internet. The project, whose first volumes will be out early next year, insures access to a "lost Atlantis of cultural treasure," said Aaron Lansky, the center's

Hollywood memorabilia in London. A silk floral dress worn ington.

by Madonna in "Evita" went to an unidentified buyer for 200. It had been expected to go for at least \$4,800 at the Bonhams auction house. A shirt, funic, breeches and coat that DiCaprio wore in "The Man in the Iron Mask" were expected to bring around \$5,000. But the top bid, from an unidentified American, was \$3,600.

A sale of what was billed as the most valuable single-owner collection of European furniture put up for anction yielded disappointing results, bringing less than half the \$30 million of \$40 million expected. Of the 81 lots offered at Christie's it New York only 54 found buyers, although the top five all fetched more than \$1 million. "English furniture was the star of today's sale," said Alistair Clarke, head of Christie's New York European furniture department, noting that two com-

Tony Kaye's squabble over the fate of his movie "American History X" has landed in court with a \$200 million lawsuit. Kaye contends he wasn't allowed to remove his name from the movie's credits after the film's star, Edward Norton, was given responsibility by the studio for making several changes, which lengthened his role. "What would have been a great film is now a good film," Kaye said. He charges that the Directors Guild of America was silent when New Line Movie costumes worn by Madonna and Leonardo Di- Cinema and Norton interfered with his work, and New Line Caprio didn't live up to their star billing at an auction of and the guild are co-defendants in the lawsuit filed in Wash.



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